The Municipal Fiscal year is October 1st through September 30th.

Three Reports of Key Provisions are included:

1) Property Tax Summary - Pages 3-4

* The total Property Tax Request proposed {preliminary} for 2026-27 is ***$949,649.00,*** which is ***45%*** of the 2026-27 budgeted Governmental Operating Expeditures.

*The total Governmental (non-Utility/non-Capital) Operating Expenditures proposed to operate the city at the existing level of service and maintenance is ***$2,103,380.00*** . {Utility expenditures are supported by utility revenues. Capital projects are supported by Sales Tax, Donations, Grants, and Bonded Debt}

*The preliminary 2026-27 Budget includes a levy of **$0.4137/$100** - which includes the Airport Allocation and is **2.3 cents** higher than last year.

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*The estimated operating levy (not including bonded debt service) of **$0.3832** remains well below the $0.45 maximum.
>In past years we've tried to maintain an operating levy at or below the 40 cent mark.<

*Property tax asking in this draft is **$48,765 (5%) more** than last year and will NOT require participation in the joint public hearing with the County and School District.

*We no longer have cash reserves available to supplement the budget in both our Governmental and Non-Governmental (Utilities) Funds, which is why our property tax request and levy are trending upwards. Once debt retirements begin, we may start to see a downward trend to the overall levy (if no new debt is required).

**The preliminary budget includes a significant increase in Water and Sewer rates as recommended by our auditor AND the Nebraska Rural Water Association. The Rural Water Association performed a rate study of our rates and provided recommended rates and included a comparison to other communities they consider to be peer in population AND size of systems. The preliminary budget includes those rates.*
AND - we're also supplementing the Water and Sewer budgets with Sales Tax Funds.
We've focused on keeping our rates as low as possible for citizens the last 20 years by supplementing with cash reserves; however, those reserves are now depleted.

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*The City will begin to retire bonded debt on the 2014 Pool project (Funded by property tax and sales tax) in 2032 and the 2018 Fairview Street project (currently funded by Street Dept, but may impact property tax asking for the Street department) in 2033. The 2013 Sewer Plant bonds (funded entirely by Sewer Revenues) retire in 2030.

>>It should also be noted that our consistently low operating levy, combined with our overall valuation, eliminates us from receiving Municipal Equalization Funding from the State. Other similar sized communities with similar valuations who have the max levy of 45 cents are estimated to recieve aid in the $10,000-$20,000 range this fiscal year. It changes from year to year, so we've never chased this number, rather we have simply maintained the lowest levy possible to maintain our day-to-day operations.

****Estimated Valuation (3.5% increase): $237,285,851**

>>>Budget Summary continued on Page 2

2) Proposed Budget Summary by Department - Pages 5-17

*Identifies Major Revenue and Expenditure Areas in each department / fund, and includes previous year budget comparison.

*Also identifies **ESTIMATED** current year budget performance by department and applies any available surplus to 2026-27 proposed budget.

*Combined, all operations are estimated to perform better than budget for current fiscal year - 2026-26 - by **$317,163**.

*Governmental Funds as a whole are estimated to perform **$376,693** better than budgeted.

*Business-Type Funds (Utilities) are estimated to perform with a **budget deficit** of **$59,530**.

*Payroll and Benefits - budgeting about a 3.5% aggregate increase of this grouping. The budget also includes a COLA increase pending approval by the City Council in August. The Health Insurance Premiums are still below the premium level we were at four years ago when we made the switch, but our new plan is not immune to inflationary conditions and premium rate creep.

*Software Upgrades - The City is facing software transitions across the board due to end of life/service of several products including our Accounting Software, Agenda/Meeting Management Software, and Utility Billing Software.
The good news is this will add significant functionality to improve operations and customer experience, like online bill pay. Features that we've been planning to add for several years, but just haven't pulled the trigger on. Now we can't put the expenditure off any longer as we need to choose new products anyway.
The bad news is this increases cost across all departments going forward.

3) Capital Project Plans by Department - Pages 19-24

*Lists Major Projects and Purchases that are either already planned or proposed for 2026-27 and beyond.

*Note: We have included the possibility of replacing the jet truck and vac wagon with a combination vac/jet truck - pending a successful DHHS Grant for HydroVac equipment. If we do not receive the grant this fall, we will not proceed with the trade/purchase.

We've had a need to replace the old Ford Dump Truck for several years and should have the fiscal opportunity to do so this year. Included in the preliminary Street Capital Outlay budget, Ron and I have investigated cooperative purchasing contracts for HD 1-ton dually cutaway chassis and believe we can purchase something that will meet our needs and be useful year-round for $85,000 completely outfitted.

**Capital Improvement Sales Tax Funds proposed to be split between Streets (31% - Street Improvements & Maintenance); Water (15% - Maintenance & Improvements); Sewer (11% - Maintenance & Improvements), Police Department (9% - New Vehicle); Pool (27% - Repairs & Maintenance); and Economic Development/Housing Director Benefits (7%).

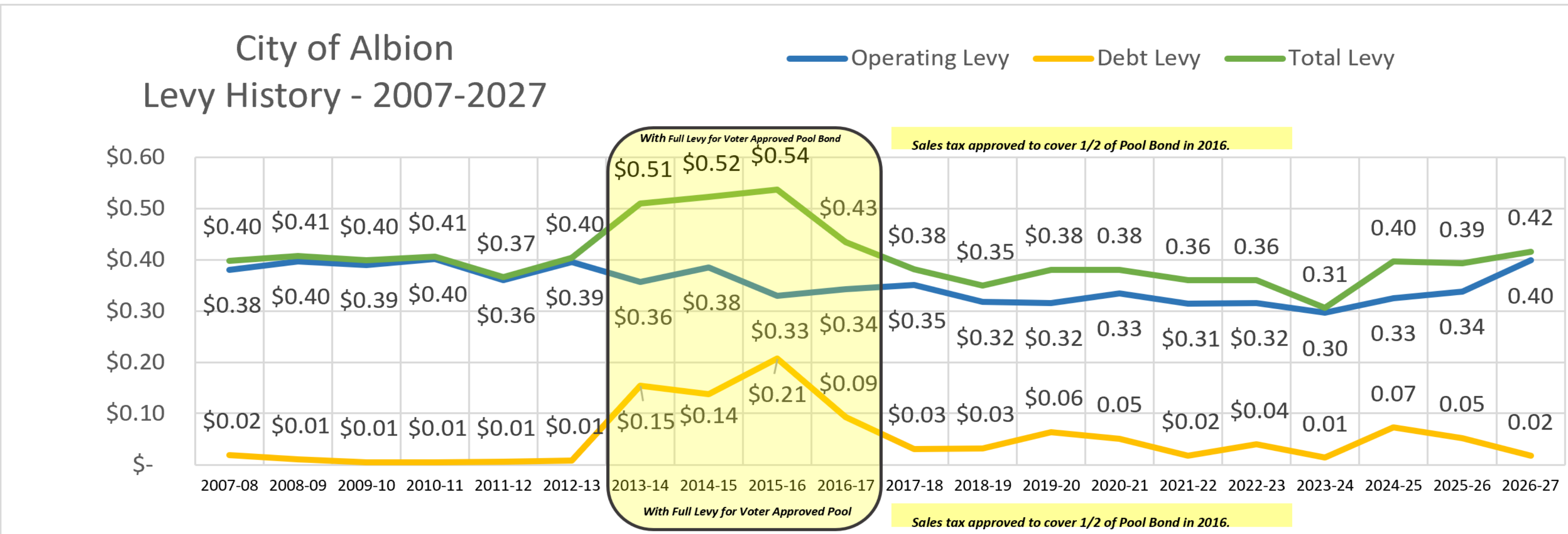
2024 Valuation	$	*220,907,700*	*(Certified by assessor on 8/16/24) - Actual 9.7% Increase*
2025 Valuation	$	*229,261,692*	*(Certified by assessor on 8/15/25) - Actual 3.8% Increase*
2026 Valuation	$	*237,285,851*	*(To be Certified in August - Estimated 3.5% Increase)*

DEPT	Property Tax Required 2025-26	Proposed 2025-2026 Request (with 1% Fee)	2025-26 LEVY	Property Tax Required 2026-27	Proposed 2026-2027 Request (with 1% Fee)	Proposed 2026-27 LEVY	Property Tax Request Difference	
General Admin.	$ 27,389	$ 27,663	$ 0.0117	$ 29,339	$ 29,632.00	$ 0.0125	$ 1,969	
Street	$ 83,927	$ 84,766	$ 0.0357	$ 87,500	$ 88,375.00	$ 0.0372	$ 3,609	
Park	$ 172,573	$ 174,299	$ 0.0735	$ 166,550	$ 168,216.00	$ 0.0709	$ (6,083)	
Pool	$ 50,560	$ 51,066	$ 0.0215	$ 54,465	$ 55,010.00	$ 0.0232	$ 3,944	
Police	$ 330,880	$ 334,189	$ 0.1408	$ 387,920	$ 391,799.00	$ 0.1651	$ 57,610	
Fire	$ 2,500	$ 2,525	$ 0.0011	$ 22,000	$ 22,220.00	$ 0.0094	$ 19,695	
Library	$ 98,349	$ 99,332	$ 0.0419	$ 152,429	$ 153,953.00	$ 0.0649	$ 54,621	
SUB TOTAL	$ 766,178	$ 773,840	***$ 0.3261***	$ 900,203	$ 909,295	***$ 0.3832***	$ 135,455	**26-27 Levy if use '25-26 Tax RQ**
G.O. Bond Fund	$ 30,409	$ 30,713	$ 0.0129	$ 10,000	$ 10,100	$ 0.0043	$ (20,613)	**$ 0.3794**
Pool Bonds	$ 94,851	$ 95,800	$ 0.0404	$ 30,000	$ 30,300	$ 0.0128	$ (65,500)	**Percent Change in Tax Request**
TOTAL	$ 891,438	$ 900,352	***$ 0.3794***	$ 940,203	$ 949,699	***$ 0.4002***	$ 48,765	**5.42%**
							$ 0.0208	**Levy Difference**
							5.48%	**CITY LEVY CHANGE**

***Subject to change with modifications to budget and/or ACTUAL VALUATION**

Where does the Property Tax requested by the City of Albion go? How is the Property Tax allocated?

2026-27 LEVY by Department			Monthly City Property Tax Breakdown based on property valuation.						
			$100,000	$150,000	$200,000	$250,000	$300,000	$350,000	$400,000
General Admin.	$	0.0125	$1.04	$1.56	$2.08	$2.60	$3.13	$3.65	$4.17
Street	$	0.0372	$3.10	$4.65	$6.20	$7.75	$9.30	$10.85	$12.40
Park	$	0.0709	$5.91	$8.86	$11.82	$14.77	$17.73	$20.68	$23.63
Pool	$	0.0232	$1.93	$2.90	$3.87	$4.83	$5.80	$6.77	$7.73
Police	$	0.1651	$13.76	$20.64	$27.52	$34.40	$41.28	$48.15	$55.03
Fire	$	0.0094	$0.78	$1.18	$1.57	$1.96	$2.35	$2.74	$3.13
Library	$	0.0649	$5.41	$8.11	$10.82	$13.52	$16.23	$18.93	$21.63
Operating Levy	***$***	***0.3832***	**$31.93**	***$47.90***	**$63.87**	**$79.83**	**$95.80**	**$111.77**	**$127.73**
G.O. Bond Fund	$	0.0043	$0.36	$0.54	$0.72	$0.90	$1.08	$1.25	$1.43
Pool Bonds	$	0.0128	$1.07	$1.60	$2.13	$2.67	$3.20	$3.73	$4.27
Debt Levy	***$***	***0.0171***	**$1.43**	***$2.14***	**$2.85**	**$3.56**	**$4.28**	**$4.99**	**$5.70**
Total Levy	***$***	***0.4003***	**$33.36**	***$50.04***	**$66.72**	**$83.40**	**$100.08**	**$116.75**	**$133.43**



Preliminary 2026-2027 Budget - By Department

Column Descriptions:
*2025-26 BUDGET: Council Adopted Budget for Fiscal Year Oct 1 , 2025 to Sep 30, 2026.
** Estimated 2025-2026: Estimated Performance for FY 2025-2026 utilizing current performance, forecast of last quarter, and historical data.
*** Difference: Illustrates difference in the budgeted v. estimated year end department Revenue, Expenditure, and overall performance.
**** Proposed 2026-27: Preliminary Department Budgets - utilizing any expected surplus/cash reserve from current/previous years.

TOTAL EXPECTED 2025-26 BUDGET SURPLUS/CASH RESERVE FOR ALL CITY DEPARTMENTS TO CARRY FORWARD INTO 2026-27: $ 314,163.00

General Administration	2025-26 Budget	Estimated 2025-26	Difference	*Proposed 2026-27*
Property Tax Revenue	$ 27,389.00	$ 27,440.00		$ 29,339.00
In Lieu of Tax & Pro Rate	$ 96,000.00	$ 129,820.00		$ 126,500.00
Grant Income - Hazard Mitigation Grant (Sirens)	$ -	$ -		$ -
Municipal Equalization (State Aid)	$ -	$ -		$ -
Building Permit Fees	$ 12,000.00	$ 12,230.00		$ 12,000.00
Other Revenue	$ 56,520.00	$ 35,920.00		$ 41,570.00
Franchise Fee Revenue	$ 220,500.00	$ 238,665.00		$ 235,500.00
Nuisance Abatement Income (placeholder)	$ 20,000.00	$ 1,900.00		$ 20,000.00
Transfer In - Sinking Fund for Capital Outlay/Maintenance	$ 10,000.00	$ -		$ 10,000.00
Transfer In - Solid Waste	$ 75,000.00	$ 69,000.00		$ 5,000.00
Transfer In - Sales Tax	$ 11,730.00	$ 11,750.00		$ 11,750.00
Total Department Revenue	***$ 529,139.00***	***$ 526,725.00***	**$ (2,414.00)**	***$ 491,659.00***
Operation & Maintenance	$ 153,830.00	$ 137,210.00		$ 176,730.00
Capital Outlay (New Civil Siren)	$ 45,000.00	$ 1,990.00		$ 45,000.00
Nuisance Abatement Expense (placeholder)	$ 20,000.00	$ -		$ 20,000.00
Payroll & Benefits (Administrator, Deputy Clerk, Mayor, Council)	$ 304,015.00	$ 295,915.00		$ 305,245.00
Total Expenditures	***$ 522,845.00***	***$ 435,115.00***	**$ (87,730.00)**	***$ 546,975.00***
Applied Cash Reserves	*$ -*			*$ 85,316.00*
Net Department Budget / Performance	$ 6,294.00	**$ 91,610.00**	$ 85,316.00	$ 30,000.00
			(FY Budget Surplus)	

Economic Development / Housing Initiative	2025-26 Budget		Estimated 2025-26	Difference	*Proposed 2026-27*
Donations	$ -		$ 80,310.00		$ 80,000.00
Misc Revenue	$ 1,500.00		$ 180.00		$ 2,000.00
Interest Income	$ 5,500.00		$ 6,680.00		$ 7,500.00
Transfer In - Sales Tax - for Housing Program Support	$ 21,640.00		$ 19,500.00		$ 15,000.00
Total Department Revenue	***$ 28,640.00***		**$ 106,670.00**	**$ 78,030.00**	***$ 104,500.00***
Operation & Maintenance	$ 3,250.00		$ 1,010.00		$ 2,750.00
Transfers Out	$ -		$ -		$ -
Payroll & Benefits (Economic Development and Housing Program Director)	$ 97,350.00		$ 101,040.00		$ 106,200.00
Total Expenditures	***$ 100,600.00***		**$ 102,050.00**	**$ 1,450.00**	***$ 108,950.00***
Applied Cash Reserves (from Housing Fund)	*$ 72,360.00*		*$ 72,360.00*		*$ 4,450.00*
Net Department Budget	**$ 400.00**		**$ 76,980.00**	$ 76,580.00	**$ -**
				(FY Budget Surplus)	

Street Department	**2025-26 Budget**	**Estimated 2025-26**	**Difference**	***Proposed 2026-27***
Property Tax Revenue	$ 83,927.00	$ 87,330.00		$ 87,500.00
State Highway Allocation	$ 277,995.00	$ 277,630.00		$ 278,875.00
Motor Vehicle Sales Tax	$ 70,000.00	$ 82,280.00		$ 75,000.00
Motor Vehicle Tax	$ 52,000.00	$ 55,310.00		$ 55,000.00
Motor Vehicle Fee	$ 18,000.00	$ 18,460.00		$ 18,500.00
Transfer in - From Sales Tax Capital Improvements	$ 60,070.00	$ 60,070.00		$ 73,000.00
Transfer in - from Equipment Sinking Fund	$ 8,750.00	$ -		$ 25,000.00
Other Revenue	$ 16,000.00	$ 7,280.00		$ 17,525.00
Total Department Revenue	***$ 586,742.00***	**$ 588,360.00**	**$ 1,618.00**	***$ 630,400.00***
Operation & Maintenance	$ 138,261.00	$ 115,110.00		$ 146,160.00
Equipment Leases (Bobcat, Tractor, Sweeper)	$ 56,000.00	$ 56,170.00		$ 56,250.00
Capital Outlay (Replace Ford Dump Truck & Side by Side)	$ 23,250.00	$ -		$ 105,335.00
Street Capital Improvements (Alley and Street Paving)	$ 30,070.00	$ 18,000.00		$ 43,000.00
Street Maintenance Program	$ 35,000.00	$ 33,150.00		$ 33,250.00
Transfer to Sinking Fund	$ -	$ 2,320.00		$ -
Transfer to G.O. Bond Fund	$ 119,665.00	$ 119,665.00		$ 116,985.00
Payroll & Benefits (50% Street Supervisor, 25% Sewer Operator, 25% Water Operator, 25% Maintenance Workers)	$ 140,720.00	$ 158,650.00		$ 170,940.00
Total Expenditures	***$ 542,966.00***	**$ 503,065.00**	**$ (39,901.00)**	***$ 671,920.00***
Applied Cash Reserves	*$ (43,775.00)*	*$ (43,775.00)*		*$ 41,520.00*
Net Department Budget / Performance	**$ -**	**$ 41,520.00**	$ 41,520.00	**$ -**
			(FY Budget Surplus)	

Parks Department	2025-26 Budget		Estimated 2025-26	Difference	*Proposed 2026-27*
Property Tax Revenue	$ 172,573.00		$ 172,918.00		$ 166,550.00
Camping Fees	$ 25,000.00		$ 21,000.00		$ 22,000.00
Transfer in (from Sales Tax)	$ 110,320.00		$ 110,320.00		$ -
Donations (Big Give - Albion Baseball)	$ 278,185.00		$ 357,160.00		$ -
Donations (Big Give - Trail and Clark Street Project)	$ 125,000.00		$ 177,840.00		$ -
Grant Income (2025-26 Trail and Clark Street Project)	$ 830,705.00		$ 906,980.00		$ -
Donations - General Parks	$ -		$ -		$ 12,000.00
Other Revenue	$ 6,500.00		$ 12,210.00		$ 2,500.00
Total Department Revenue	***$ 1,548,283.00***		**$ 1,758,428.00**	**$ 210,145.00**	***$ 203,050.00***
Operation & Maintenance	$ 108,100.00		$ 80,130.00		$ 109,700.00
Capital Outlay (Albion Baseball Batting Cage)	$ 396,930.00		$ 506,015.00		$ -
Capital Outlay (Clark Street & Trail Project)	$ 1,060,845.00		$ 1,187,425.00		$ -
Capital Outlay/Sprinkler System Upgrade	$ 10,000.00		$ 10,000.00		$ 20,000.00
Payroll & Benefits (City Groundskeeper, Summer Labor)	$ 64,100.00		$ 66,550.00		$ 73,350.00
Total Expenditures	***$ 1,639,975.00***		**$ 1,850,120.00**	**$ 210,145.00**	***$ 203,050.00***
Applied Cash Reserves	*$ 91,692.00*		*$ 91,692.00*		*$ -*
Net Department Budget	**$ -**		**$ -**	$ -	**$ -**
				(FY Budget Surplus)	

Pool Department	**2025-26 Budget**		**Estimated 2025-26**	**Difference**	***Proposed 2026-27***
Property Tax Revenue	$ 50,560.00		$ 50,660.00		$ 54,465.00
Admission Fees	$ 29,000.00		$ 33,500.00		$ 33,500.00
Transfer In From Municipal Lottery	$ 9,460.00		$ 6,440.00		$ 6,500.00
Transfer in from Sales Tax - for Maintenance	$ 38,600.00		$ 34,770.00		$ 75,000.00
Other Revenue	$ 8,500.00		$ 10,850.00		$ 43,060.00
Total Department Revenue	**$ 136,120.00**		**$ 136,220.00**	**$ 100.00**	**$ 212,525.00**
Day-to-Day Operation	$ 35,220.00		$ 37,760.00		$ 42,150.00
Capital Outlay and Major Maintenance	$ 48,600.00		$ 33,145.00		$ 99,000.00
Payroll	$ 51,860.00		$ 68,750.00		$ 67,500.00
Total Expenditures	***$ 135,680.00***		**$ 139,655.00**	**$ 3,975.00**	***$ 208,650.00***
Applied Cash Reserves	*$ -*		*$ -*		*$ (3,875.00)*
Net Department Budget	**$ 440.00**		**$ (3,435.00)**	$ (3,875.00)	**$ -**
				(FY Budget Deficit)	

Police Department	2025-26 Budget		Estimated 2025-26	Difference	*Proposed 2026-27*
Property Tax Revenue	$ 330,880.00		$ 331,530.00		$ 387,920.00
Transfer in - From Sales Tax (Building/Equip/Maint)	$ 23,460.00		$ 23,500.00		$ 43,500.00
Transfer In - from Sinking Fund (Building/Equip/Maint)	$ -		$ -		$ 25,000.00
Other Revenue	$ 19,200.00		$ 21,425.00		$ 6,900.00
Total Department Revenue	***$ 373,540.00***		**$ 376,455.00**	**$ 2,915.00**	***$ 463,320.00***
Operation & Maintenance	$ 56,850.00		$ 69,100.00		$ 64,050.00
Capital Outlay - (Possible Vehicle Trade)	$ -		$ -		$ 50,000.00
Transfer to Building/Equipment/Maintenance Sinking Fund	$ 22,000.00		$ -		$ -
Payroll & Benefits (Preparing budget for a full 3-man department)	$ 344,465.00		$ 347,900.00		$ 358,500.00
Total Expenditures	***$ 423,315.00***		**$ 417,000.00**	**$ (6,315.00)**	***$ 472,550.00***
Applied Cash Reserves	*$ 49,775.00*		*$ 49,775.00*		*$ 9,230.00*
Net Department Budget	**$ -**		**$ 9,230.00**	$ 9,230.00	**$ -**
				(FY Budget Surplus)	

Fire Department	2025-26 Budget		Estimated 2025-26	Difference	*Proposed 2026-27*
Property Tax Revenue	$ 2,500.00		$ 2,500.00		$ 22,000.00
MFO Funds	$ 10,000.00		$ 10,000.00		$ 10,000.00
Sale of Surplus Property	$ 15,000.00		$ -		$ 15,000.00
* Transfer in - From Sales Tax	$ 70,390.00		$ 70,490.00		$ 70,500.00
Transfer in - From Equipment Reserve	$ 7,500.00		$ -		$ -
Rural Reimbursement	$ 62,200.00		$ 46,225.00		$ 50,000.00
Other Revenue	$ 1,010.00		$ 575.00		$ 1,210.00
Total Department Revenue	***$ 168,600.00***		**$ 129,790.00**	**$ (38,810.00)**	***$ 168,710.00***
Operation	$ 87,000.00		$ 62,870.00		$ 73,300.00
* Equipment Purchases, Maintenance, or Transfer to Equipment Reserve	$ 136,928.00		$ 53,600.00		$ 161,230.00
Payroll	$ 2,900.00		$ 2,830.00		$ 2,900.00
Total Expenditures	***$ 226,828.00***		**$ 119,300.00**	**$ (107,528.00)**	***$ 237,430.00***
Applied Cash Reserves	*$ 58,230.00*		*$ 58,230.00*		*$ 68,720.00*
Net Department Budget	**$ -**		**$ 68,720.00**	$ 68,720.00	**$ -**
				(FY Budget Surplus)	

Library	**2025-26 Budget**	**Estimated 2025-26**	**Difference**	***Proposed 2026-27***
Property Tax Revenue	$ 98,349.00	$ 98,540.00		$ 152,429.00
Transfer in - From Sales Tax	$ 11,730.00	$ 11,750.00		$ 11,750.00
Transfer in - From Sinking Fund	$ -	$ -		$ -
Donations	$ 2,500.00	$ 14,600.00		$ 2,500.00
Other Revenue	$ 8,770.00	$ 7,340.00		$ 8,320.00
Total Department Revenue	***$ 121,349.00***	**$ 132,230.00**	**$ 10,881.00**	***$ 174,999.00***
Operation & Maintenance	$ 43,000.00	$ 48,590.00		$ 52,900.00
Collection Additions	$ 14,000.00	$ 14,180.00		$ 14,000.00
Capital Outlay/Transfer to Sinking Fund	$ -	$ -		$ -
Payroll	$ 81,810.00	$ 98,000.00		$ 97,020.00
Total Expenditures	***$ 138,810.00***	**$ 160,770.00**	**$ 21,960.00**	***$ 163,920.00***
Applied Cash Reserves	*$ 17,461.00*	*$ 17,461.00*		*$ (11,079.00)*
Net Department Budget	**$ -**	**$ (11,079.00)**	$ (11,079.00)	**$ -**
			(FY Budget Deficit)	

Water Department	2025-26 Budget		Estimated 2025-26	Difference	*Proposed 2026-27*
Water Revenues (*with Recommended Rate Increase)	$ 313,800.00		$ 302,660.00		$ 387,100.00
Sale of Suplus Property	$ -		$ -		$ 75,000.00
Transfer in - From Sinking Fund	$ -		$ -		$ -
Transfer in - From Sales Tax	$ -		$ -		$ 35,000.00
DHHS Grant	$ 10,000.00		$ -		$ 75,000.00
Other Revenue	$ 21,450.00		$ 22,090.00		$ 23,050.00
Total Department Revenue	***$ 345,250.00***		***$ 324,750.00***	**$ (20,500.00)**	***$ 595,150.00***
Operation & Maintenance	$ 145,735.00		$ 108,570.00		$ 142,800.00
Significant Maintenance Fund(Fire Hydrants, Valves, Leaks)	$ 25,000.00		$ 45,780.00		$ 25,000.00
Capital Outlay (Equipment, etc. or Transfer to Sinking)	$ 15,000.00		$ -		$ 157,110.00
Tower Maintenance (transfer unused to sinking fund)	$ 10,000.00		$ 2,240.00		$ 10,000.00
Transfer to Tower Maintenance Sinking Fund	$ -		$ 7,760.00		$ -
2013-14 Well Loan Payments	$ 16,285.00		$ 16,285.00		$ 16,165.00
2018-19 Well Loan Payments	$ 28,105.00		$ 28,090.00		$ 27,985.00
2024-2025 Water Bond Payments	$ -		$ 27,415.00		$ 26,775.00
Payroll & Benefits (50% Water Operator, 25% Sewer Operator, 25% Street Supervisor, 33% Utility Billing Clerk, 25% Maintenance Workers)	$ 146,650.00		$ 150,680.00		$ 168,770.00
Total Expenditures	***$ 386,775.00***		**$ 386,820.00**	**$ 45.00**	***$ 574,605.00***
Applied Cash Reserves	*$ 41,525.00*		*$ 41,525.00*		*$ (20,545.00)*
Net Department Budget	**$ -**		**$ (20,545.00)**	$ (20,545.00)	**$ -**
				(FY Budget Deficit)	

Sewer Department	2025-26 Budget		Estimated 2025-26	Difference	Proposed 2026-27
Sale of Surplus Property / Material Sales	$ 500.00		$ -		$ 75,500.00
Sewer Use Revenue (* with Recommended Rate Increase)	$ 463,300.00		$ 467,490.00		$ 583,700.00
Transfer in - From Sales Tax	$ 30,000.00		$ 27,020.00		$ 25,000.00
Other Revenue	$ 16,900.00		$ 13,905.00		$ 17,800.00
Total Department Revenue	***$ 510,700.00***		**$ 508,415.00**	**$ (2,285.00)**	***$ 702,000.00***
Operation & Maintenance	$ 91,550.00		$ 108,160.00		$ 102,400.00
Sewer System Improvements/Extensions/Sludge Application Project	$ -		$ -		$ 20,000.00
Sewer System Maintenance Projects (Manhole and Sewer Line Rehab)	$ 35,535.00		$ 34,000.00		$ 30,000.00
Capital Outlay (Equipment, etc. or Transfer to Sinking)	$ 20,000.00		$ -		$ 95,835.00
Future Development Capital Improvement	$ -		$ -		$ -
WWTF Financing Payments	$ 220,000.00		$ 242,090.00		$ 242,160.00
Payroll & Benefits (50% Sewer Operator, 25% Water Operator/Building Inspector, 25% Street Supervisor, 33% Utility Billing Clerk, 25% Maintenance Workers)	$ 143,615.00		$ 162,990.00		$ 172,780.00
Total Expenditures	***$ 510,700.00***		**$ 547,240.00**	**$ 36,540.00**	***$ 663,175.00***
Applied Cash Reserves	*$ -*		*$ -*		*$ (38,825.00)*
Net Department Budget	**$ -**		**$ (38,825.00)**	$ (38,825.00)	**$ -**
				(FY Budget Deficit)	

Solid Waste Department	**2025-26 Budget**		**Estimated 2025-26**	**Difference**	***Proposed 2026-27***
Garbage Use Revenue (1.5% rate increase)	$ 295,500.00		$ 294,590.00		$ 304,500.00
Grant Income (Tire Collection)	$ 22,790.00		$ 21,140.00		$ -
Other Revenue	$ 2,500.00		$ 2,975.00		$ 3,000.00
Total Department Revenue	***$ 320,790.00***		***$ 318,705.00***	**$ (2,085.00)**	***$ 307,500.00***
Operation & Maintenance	$ 9,150.00		$ 10,620.00		$ 20,950.00
Contract Costs (Solid Waste, Grass Pile, Tree Pile, Clean up Days)	$ 225,000.00		$ 226,690.00		$ 210,200.00
Transfers Out (General)	$ 75,000.00		$ 69,000.00		$ 37,310.00
Capital Outlay (Or Transfer to Sinking)	$ 4,275.00		$ 3,500.00		$ -
Payroll & Benefits (34% Utility Billing Clerk)	$ 30,730.00		$ 32,420.00		$ 34,840.00
Total Expenditures	***$ 344,155.00***		**$ 342,230.00**	**$ (1,925.00)**	***$ 303,300.00***
Applied Cash Reserves	*$ 23,365.00*		*$ 23,365.00*		*$ (160.00)*
Net Department Budget	**$ -**		**$ (160.00)**	$ (160.00)	**$ 4,040.00**
				(FY Budget Deficit)	

G.O. Bond Fund	2025-26 Budget		Estimated 2025-26	Difference	Proposed 2026-27
Property Tax Revenue - Pool Bonds	$ 94,851.00		$ 97,590.00		$ 30,000.00
Property Tax Revenue - Other GO Bonds	$ 30,409.00		$ 30,710.00		$ 10,000.00
In Lieu of Tax and Pro Rate	$ 23,295.00		$ 21,040.00		$ 20,000.00
Transfer in - Sales Tax (Pool Bond)	$ 117,320.00		$ 117,370.00		$ 117,715.00
Transfers in (Street)	$ 119,665.00		$ 119,665.00		$ 116,985.00
Total Department Revenue	**$ 385,540.00**		**$ 386,375.00**	**$ 835.00**	**$ 294,700.00**
2018 Street Construction Bonds	$ 119,665.00		$ 119,665.00		$ 116,985.00
2017 Pool Bonds - Refunded	$ 216,540.00		$ 216,540.00		$ 217,385.00
Total Expenditures	**$ 385,540.00**		**$ 336,205.00**	**$ (49,335.00)**	**$ 334,370.00**
Applied Cash Reserves	*$ (6,109.00)*		*$ (6,109.00)*		*$ 44,061.00*
Net Department Budget	**$ -**		**$ 44,061.00**	$ 44,061.00	**$ 4,391.00**
				(FY Budget Surplus)	

Municipal Lottery (Keno) Fund	2025-26 Budget		Estimated 2025-26	Difference	Proposed 2026-27
Keno Revenue	$ 9,000.00		$ 4,950.00		$ 5,000.00
Total Department Revenue	***$ 9,000.00***		**$ 4,950.00**	**$ (4,050.00)**	***$ 5,000.00***
Operating Expenses	$ -		$ 350.00		$ 250.00
Transfers Out	$ 9,460.00		$ 6,350.00		$ 6,500.00
Total Expenditures	***$ 9,460.00***		**$ 6,700.00**	**$ (2,760.00)**	***$ 6,750.00***
Applied Cash Reserves	*$ 460.00*		*$ 460.00*		*$ -*
Net Department Budget	**$ -**		**$ (1,290.00)**	$ (1,290.00)	**$ (1,750.00)**
				(FY Budget Surplus)	

Sales Tax Fund	2025-26 Budget		Estimated 2025-26	Difference	Proposed 2026-27
Interest Income	$ 11,000.00		$ 4,350		$ 6,000.00
Sales Tax Revenue - One Cent (Capital Projects)	$ 234,630.00		$ 234,960		$ 235,000.00
Sales Tax Revenue - One Cent (ED)	$ 234,630.00		$ 234,960		$ 235,000.00
Sales Tax Revenue - 1/2 Cent (Fire)	$ 70,390.00		$ 70,490		$ 70,500.00
Sales Tax Revenue - 1/2 Cent (Police)	$ 23,460.00		$ 23,500		$ 23,500.00
Sales Tax Revenue - 1/2 Cent (City Hall)	$ 11,730.00		$ 11,750		$ 11,750.00
Sales Tax Revenue - 1/2 Cent (Library)	$ 11,730.00		$ 11,750		$ 11,750.00
Sales Tax Revenue - 1/2 Cent (Pool Bond)	$ 117,320.00		$ 117,480		$ 117,500.00
Motor Vehicle Sales Tax Revenue	$ 70,000.00		$ 82,280		$ 75,000.00
Total Department Revenue	***$ 784,890.00***		**$ 791,520.00**	**$ 6,630.00**	***$ 786,000.00***
Transfer to Street Fund for Improvements	$ 60,070.00		$ 60,070		$ 73,000.00
Transfer to Water - Infrastructure Fund	$ -		$ -		$ 35,000.00
Transfer to Sewer - Infrastructure Fund	$ 30,000.00		$ 27,020		$ 25,000.00
Transfer to Park - Capital Projects	$ 110,320.00		$ 110,320		$ -
Transfer to General Adm - Housing Program Benefits	$ 21,640.00		$ 19,500		$ 15,000.00
Transfer out to Albion Economic Development (from Fund Balance)	$ 234,630.00		$ 96,500		$ 373,130.00
Transfer to Fire Dept - Equipment Reserve	$ 70,390.00		$ 70,490		$ 70,500.00
Transfer to Police - Capital Projects, Equip, Maint.	$ 23,460.00		$ 23,500		$ 43,500.00
Transfer to Library - Capital Projects, Equip, Maint.	$ 11,730.00		$ 11,750		$ 11,750.00
Transfer to General (City Hall) - Capital Projects, Equip, Maint.	$ 11,730.00		$ 11,750		$ 11,750.00
Transfer to GO Debt - Pool Bond	$ 117,320.00		$ 117,480		$ 117,500.00
Motor Vehicle Sales Tax to Street Dept	$ 70,000.00		$ 82,280		$ 75,000.00
Transfer to Pool - Improvements/Maintenance	$ 38,600.00		$ 34,770		$ 75,000.00
Transfer to G.O. Bond Fund	$ -		$ -		$ -
Total Expenditures	***$ 799,890.00***		**$ 665,430**	**$ (134,460)**	***$ 926,130.00***
Applied Cash Reserves	*$ 15,000.00*		*$ 15,000.00*		*$ 141,090.00*
Net Department Budget	**$ -**		**$ 141,090.00**	$ 141,090.00	**$ 960.00**
				(FY Budget Surplus)	

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The City's Capital Improvement Plan is developed by the City based upon critical community needs as well as citizen concerns expressed in regular surveys.

Red Flag - High Need:

Sewer Rehabilitation	**Following video camera survey of collection lines we're starting to prioritize rehabilitiation including Manholes and Sewer Main lining and are dedicating funds for these activities **Funds are currently lacking for 2026-2027 Budget Year - will likely to continue focus on Man Holes.**
Civil Defense Siren Improvements	**Creating a plan to replace two sirens with larger coverage area to cover all developed areas within the ETJ. One siren replaced in 2024-25. Another planned for 2026-27.**
Repair Pool Leak	**COMPLETE.**
*** Playground Equipment Updates - including accessible features**	**Eli Porter Memorial Project - COMPLETE** ****Park on Clark Street Project - Awarded Rural Community Recovery Program Grant - 2025-2026 - to be Complete by September 30, 2026.**
Water and Sewer Extensions	**Need to begin planning for completion of water transmission lines from Fairgrounds Road to 11th and Fairview and Well #5 site.**
*** Assurance of safe drinking water**	**New Well online in 2020; however, wells 2 and 3 collapsed and are decommissioned.** **Mayor recommends planning for new well in deeper water formation further south.**

Orange Flag - Moderate to High Need:

*** Recreational Walking/Running Trails**	****Need to plan for Link between Fuller Park and 11th and State Street.** Phase 1, Fuller Park and Fairgrounds Loop Completed in 2018. Phase 2, linking Clark Park Neighborhood and Sports Complex - COMPLETE - 2026.
*** Campground Expansion**	Added to Capital Improvement Plan in 2016. 20 sites with Water and Electricity added in FY '21-22. ***Sewer to be extended following the sewer main project through South Park Subdivision - 2027-28 ?**
*** Irrigation System for Sludge Application**	Project would be more efficient method of application, could rotate crops and also potentially apply compost from grass pile on crop ground ourselves, rather than pay to have it hauled away. No Funds Available ***Target for FY '27-28**
*** Sports Complex Improvements**	*Based on 2019 input from parents and coaches. **Albion Baseball/Softball - Cardinal Cage Project - nearing completion.** Future Projects subject to funding: Replace aged light poles, relocate transformers, additional fencing, drainage improvements, new concession stand. **Target for '27 and beyond.**

Yellow Flag - Moderate Need:

*** General Street Conditions/Maintenance**	Annual Maintenance Program included in O&M Budget (Crack sealing every year. Significant Microsurfacing occurred 2017 & 2024) **ON GOING**
Street Paving - 11th to Fuller and Park View Streets	Mayor Jarecki's "Bucket-List" Item
*** C-2 - Commercial Alley Paving**	Prioritizing several commercial alleys a year to be funded by sales tax funds. **ON GOING**
*** Trees in Public Spaces**	Added to Parks Operation & Maintenance Budget
*** Storm Water Drainage Improvements**	**Phases I thru III Complete - 2016-2020** Necessity of future phases to be determined

City of Albion Capital Improvement Plan - by Department

Street Department		
Funds Available for Capital Projects		
$41,520		Cash Balance/Budget Suplus - 9/30/2026
$9,000		Sale of Surplus Property
$38,065		Excess Highway Allocation and Motor Vehicle Taxes/Fees
$73,000		Sales Tax for Street Improvements
$25,000		2026-2027 Transfer in from Street Equipment Reserve
	$186,585	**Total Estimated Resources Available for Street Department Capital Improvements and Additions 2026-27**
Projects Estimated Cost		
$33,250		2027 Crack Sealing & Maintenance Program
$5,000		2027 Storm Sewer Maintenance Program
$43,000		2026-27 - Street Repairs and Alley Paving
	$81,250	**Total 2026-27 Maintenance Items**
	$105,335	General Capital Outlay/Equipment 2026-27 (Dump Truck/Side by Side)
	$0	Remainder for Projects/Equipment - or carry forward to next fiscal year.
$300,000		Estimated - Project 108 - 11th Street South of Fairview - 6 year Plan
$250,000		Estimated - Project 109 - 11th Street South of Fairview - 6 year Plan
$20,000		Estimated - Project 87 - Fuller Street back to gravel - 6 Year Plan
$450,000		Estimated - Project 106 - Main Street and Church Street - RCP Storm Sewer - 6 year plan
$450,000		Estimate needs revised - Project 88 - Sale Barn Road - 5th Street to Hiway 14 - Drainage structures to existing storm drainage - 6 year plan
	$1,470,000	Total Estimated Cost of Known Planned Projects & Capital Expenditures
$250,000		2030 Asphalt Maintenance Program - Microsealing and/or Armorcoating Surfaces
General		
Funds Available for Capital Projects		
$11,750		Sales Tax Revenue - For General/City Hall Improvements/Maintenance FY26-27
$11,584		Sinking Fund for General/City Hall Improvements/Maintenance
$10,000		Cash Balance/Surplus from FY25-26
$13,391		Tax Revenues from FY26-27
$0		Potential Grant Funding - FEMA Hazard Mitigation (75/25 Grant for Sirens)
	$46,725	Total Resources Available for General Fund Capital Improvements 2025-26
Projects Estimated Cost		
$5,000		General Capital Outlay
$40,000		Tornado Siren Replacement - behind Applied Connective (24-25)

Parks Department		
Funds Available for Capital Projects		
$10,000		Cash Reserved for Cardinal Cage Project / Park on Clark-Trail Project
$10,000		*Cash Reserved for Sprinkler Improvements*
	$20,000	Total Resources Available for Parks Department Capital Outlay 2026-27
Project Estimated Cost		
$10,000		*Estimated - Sprinkler Improvements - Clark Park*
$10,000		*Estimated - Landscaping & Finishes - Clark Park*
	$20,000	Total Estimated Cost of Capital Projects/Purchases - 26-27
	$0	Remainder for Projects - Allocate or Carry into 2027-28
$750,000		*Estimated - Trail Connection - Fuller to 11th and State - 2027 and Beyond*
$300,000		Estimated - Sports Complex Improvements - Replace Light Systems (27-28)
$0		Sports Complex Improvements - New concessions stand/RR Building (27-31) - no estimate of cost yet.
Pool Department		
Funds Available for Capital Projects		
$15,000		Property Tax - Used for Maintenance
$75,000		Sales Tax Transfer for Improvements/Maintenance
	$90,000	Total Resources Available for Pool Department Capital Improvments 2024-25
Projects Estimated Cost		
$75,000		Pool Equipment, Parts, Repairs - Replacement Pumps - 2026-27
$15,000		Additional Manhole for access to spray pad piping and valves & repair spray feature - 26-27
	$90,000	Total Estimated Cost of Known Projects through 2027
$28,000		Repaint Pool - 29-30

Library Department		
Funds Available for Capital Projects		
	$196,235	Total Resources Available for Library Department Capital Improvments 2026-27
Projects Estimated Cost		
$0		Make old basement accessible Project for 2027-28 - No cost estimate yet (Library board investigating)
	$0	Total Estimated Cost of Known Projects
Fire Department		
Funds Available for Capital Projects		
$10,525		Estimated Equipment Sales Tax Reserve Balance - 9/30/26
$80,210		Cash Surplus from 2025-26 Capital Outlay
$70,500		2026-27 Transfer in from Sales Tax for Equipment and Maintenance
	$161,235	Total Resources Available for Fire Department Capital Improvements 2026-27
Projects Estimated Cost		
$161,230		Uniforms, Equipment Maintenance, Equipment Purchases (funded by sales tax/sinking funds) - unused transferred to future equipment sinking fund
	$161,230	Total Estimated Cost of Known Projects
	$5	Remainder for Equipment & Maintenance in Fire Dept Fund - Allocate or Carry into 2026-27

Water Department

Budgeted Funds Available for Capital Projects

$7,110	Cash available from User Fees
$75,000	Sale/Trade of Surplus Vac Wagon
$75,000	DHHS HydroVac Utility Grant
$35,000	Transfer in From Sales Tax
$192,110	**Total Resources Available for Water Department Capital Improvements 2026-27**

Future Projects Estimated Cost

$35,000	Water System Improvements/Maintenance
$150,000	*Partial Purchase of Vac/Jet Truck (if DHHS Grant is Successful)
$7,110	General Capital Outlay - Equipment, etc.
$192,110	***Total Capital Expenditures for 2026-27***

Priority 2 Annexation Water Projects - FUTURE YEARS

$266,300	*Annexation Area 1-B Group 1B - Undeveloped Lots - N of State Street near Fairgrounds Road*
$66,000	*Annexation Area 1-D -Group 3B - Undeveloped Lots on 4th South of Fairview - future 6" main*
$332,300	***2027 & Beyond***
$0	*Future Developments Reserve - 2027 & Beyond*
$1,500,000	New Well/Distribution/Transmission Expansion (2027-31)
$1,832,300	**Total Estimated of Current/Future Projects**

Sewer Department	
Budgeted Funds Available for Capital Projects	
$45,835	Cash available from User Fees
$75,000	Sale of Surplus Sewer Jet Truck
$25,000	Transfer in from Sales Tax for Rehab/Improvements
$145,835	Total Resources Available for Sewer Department Capital Improvements 2026-27
Future Projects Estimated Cost	
	Priority System Upgrade and Rehab Projects - '26-27
$30,000	Manhole Projects/Sewer Inspection/Other Maintanence and Improvements
$75,000	*Partial Purchase of Vac/Jet Truck (if DHHS Grant Successful)
$40,835	General Capital Outlay - Equipment, etc.
$145,835	**2026-2027 - Total Planned Capital Expenditures**
	Priority System Upgrade and Rehab Projects - '27-30
$125,000	Sludge Application / Irrigation ('27-29)
$500,000	Sewer Main Lining Rehab
$625,000	**Total Priority System Upgrade and Rehab Projects 2027-2030**
	Priority 2 Annexation Sanitary Projects - 2030 & Beyond
$334,000	*Annexation Area 1-B Group 1B - Undeveloped Lots - State Street near Fairgrounds Road*
$495,000	*Annexation Area 1-C Group 2B - Old Mill Road and Norco Road*
$110,000	*Annexation Area 1-D Group 3B - Undeveloped Lots on 4th South of Fairview - future 8" main*
$151,700	*Annexation Area 1-F Future Sanitary along Hwy 14 across front of Applied/FSA office lots*
$1,090,700	***2026 & Beyond Total***
$0	*Future Developments Reserve*
$1,715,700	Total Estimated Cost Current/Future Projects