

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 2025-26 is **\$900,352.38**, which is **45%** of the 2025-26 budgeted Governmental Operating Expenditures.

*The total Governmental (non-Utility/non-Capital) Operating Expenditures proposed to operate the city at the existing level of service and maintenance is **\$1,979,396**. {Utility expenditures are supported by utility revenues. Capital projects are supported by Sales Tax, Donations, Grants, and Bonded Debt}

*The preliminary 2025-26 Budget includes a levy of **\$0.3927/\$100** - which is **0.4 cents** lower than last year.

*The estimated operating levy (not including bonded debt service) of **\$0.3375** 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.<

*We no longer have cash reserves available to supplement the budget, but I believe that our levy will stabilize in the next few years in the ranges of 35-40 cents for operating and 5-10 cents for bonded debt over the next several years, notwithstanding any unforeseen extreme circumstances. Once debt retirements begin, we may start to see a downward trend to the overall levy (if no new debt is required).

*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 receive 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.

*Property tax asking in this draft is **\$24,775 (2.83%)** more than last year and will **NOT** require participation in the joint public hearing with the County and School District.

****Certified Valuation (8/15/2025): \$229,261,692.**

>>>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 2025-26 proposed budget.

*Combined, all operations are estimated to perform better than budget for current fiscal year - 2024-25 - by **\$299,617**.

*Governmental Funds as a whole are estimated to perform **\$239,238** better than budgeted.

*Business-Type Funds (Utilities) are estimated to perform with a budget surplus of **\$60,379**.

*Payroll and Benefits - budgeting about a 6.5% aggregate increase of this grouping. Benefit Premiums are increasing by 14%. 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 three years ago when we made the switch, but our new plan is not immune to inflationary conditions and premium rate creep.

*Many of our employees have primary functions in one department, but often cross-over and assist in other areas as needed so individual payroll and benefits is split up between Departments for such employees. So this year, included in each Department's Payroll & Benefits line item is the breakdown of the share of employee wages included for that department. This is not a new practice, but I thought it might be helpful for you to know this information.

For example, Our Water Commissioner/Building Inspector's Payroll and Benefits are allocated as follows:

- 50% Water Department;
- 20% General Administration;
- 15% Sewer Department;
- 15% Street Department.

*Considering lease of a new street sweeper in 2025-26. We've had our current sweeper for 11 years and are looking to go to a mechanical/conveyor style sweeper that would be more effective for our application. The make-up of the debris we sweep contains a lot of gravel and wears out the turbine/wheel that creates the suction of our current sweeper. The conveyor style will still require maintenance and parts, but at a lower cost.

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

*Lists Major Projects and Purchases that are either already planned or proposed for 2025-26 and beyond.

**Capital Improvement Sales Tax Funds proposed to be split between Parks (47% - Clark Street & Trail Project); Streets (25.5% - Street Improvements & Maintenance); Sewer (12.8% - Sewer System Improvements), Pool (5.5% - Repairs & Maintenance, and Economic Development/Housing Director Benefits (9.2%).

2023 Valuation	\$ 201,363,740	(Certified by assessor on 8/14/23)
2024 Valuation	\$ 220,907,700	(Certified by assessor on 8/16/24)
2025 Valuation	\$ 229,261,692	(Certified by assessor on 8/15/25)

DEPT	Property Tax Required 2024-25	Proposed 2024-2025 Request (with 1% Fee)	2024-25 LEVY	Property Tax Required 2025-26	Proposed 2025-2026 Request (with 1% Fee)	Proposed 2025-26 LEVY	Property Tax Request Difference	
General Admin.	\$ 27,589	\$ 27,865	\$ 0.0126	\$ 27,389	\$ 27,662.89	\$ 0.0121	\$ (202)	
Street	\$ 35,490	\$ 35,845	\$ 0.0162	\$ 83,927	\$ 84,766.27	\$ 0.0370	\$ 48,921	
Park	\$ 115,385	\$ 116,539	\$ 0.0528	\$ 172,573	\$ 174,298.73	\$ 0.0760	\$ 57,760	
Pool	\$ 57,980	\$ 58,560	\$ 0.0265	\$ 50,560	\$ 51,065.60	\$ 0.0223	\$ (7,494)	
Police	\$ 360,260	\$ 363,863	\$ 0.1647	\$ 330,880	\$ 334,188.80	\$ 0.1458	\$ (29,674)	
Fire	\$ 2,695	\$ 2,722	\$ 0.0012	\$ 2,500	\$ 2,525.00	\$ 0.0011	\$ (197)	
Library	\$ 108,519	\$ 109,604	\$ 0.0496	\$ 98,349	\$ 99,332.49	\$ 0.0433	\$ (10,272)	
SUB TOTAL	\$ 707,918	\$ 714,997	\$ 0.3237	\$ 766,178	\$ 773,840	\$ 0.3375	\$ 58,843	24-25 Levy if use '23-24 Tax RQ
G.O. Bond Fund	\$ 50,000	\$ 50,500	\$ 0.0229	\$ 30,409	\$ 30,713	\$ 0.0134	\$ (19,787)	\$ 0.3819
Pool Bonds	\$ 108,990	\$ 110,080	\$ 0.0498	\$ 94,851	\$ 95,800	\$ 0.0418	\$ (14,280)	Percent Change in Tax Request
TOTAL	\$ 866,908	\$ 875,577	\$ 0.3964	\$ 891,438	\$ 900,352.38	\$ 0.3927	\$ 24,775	2.83%
<i>*Subject to change with modifications to budget and/or ACTUAL VALUATION</i>							\$ (0.0036) Levy Difference	
							-0.92%	CITY LEVY CHANGE

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

Proposed 2025-26 LEVY by Department		Below is an allocation chart of the 2025-26 City Property Tax based on property valuation.						
		\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
General Admin.	\$ 0.0121	\$12.10	\$18.15	\$24.20	\$30.25	\$36.30	\$42.35	\$48.40
Street	\$ 0.0370	\$37.00	\$55.50	\$74.00	\$92.50	\$111.00	\$129.50	\$148.00
Park	\$ 0.0760	\$76.00	\$114.00	\$152.00	\$190.00	\$228.00	\$266.00	\$304.00
Pool	\$ 0.0223	\$22.30	\$33.45	\$44.60	\$55.75	\$66.90	\$78.05	\$89.20
Police	\$ 0.1458	\$145.80	\$218.70	\$291.60	\$364.50	\$437.40	\$510.30	\$583.20
Fire	\$ 0.0011	\$1.10	\$1.65	\$2.20	\$2.75	\$3.30	\$3.85	\$4.40
Library	\$ 0.0433	\$43.30	\$64.95	\$86.60	\$108.25	\$129.90	\$151.55	\$173.20
Operating Levy	\$ 0.3376	\$337.60	\$506.40	\$675.20	\$844.00	\$1,012.80	\$1,181.60	\$1,350.40
G.O. Bond Fund	\$ 0.0134	\$13.40	\$20.10	\$26.80	\$33.50	\$40.20	\$46.90	\$53.60
Pool Bonds	\$ 0.0418	\$41.80	\$62.70	\$83.60	\$104.50	\$125.40	\$146.30	\$167.20
Debt Levy	\$ 0.0552	\$55.20	\$82.80	\$110.40	\$138.00	\$165.60	\$193.20	\$220.80
Total Levy	\$ 0.3928	\$392.80	\$589.20	\$785.60	\$982.00	\$1,178.40	\$1,374.80	\$1,571.20

