



CITY OF
LANCASTER

Proposed 2020 Budget

General Fund
Stormwater Management Fund
Sewer Fund
Water Fund
Solid Waste & Recycling Fund

Danene Sorace
Mayor



Budget Highlights



General Fund

- **No Real Estate Tax increase**
- Earned Income & Real Estate Transfer revenues still strong
- AFSCME negotiations nearly completed, Police negotiations ongoing...
- Begin HUD Lead Grant project implementation!
- Finalize PPL Streetlight Purchase – save \$455,500 every year

Stormwater Management Fund

- **No SWM Fee rate increase**
- Green Infrastructure projects continuing for EPA consent decree compliance

Sewer Fund

- Outside City PUC rate case nearly done
- Inside City rate increase of \$28.50/quarter for avg. residential customer
- Long-term bulk sewer billing dispute resolved
- Mandated planning & projects continuing for EPA consent decree compliance

Water Fund

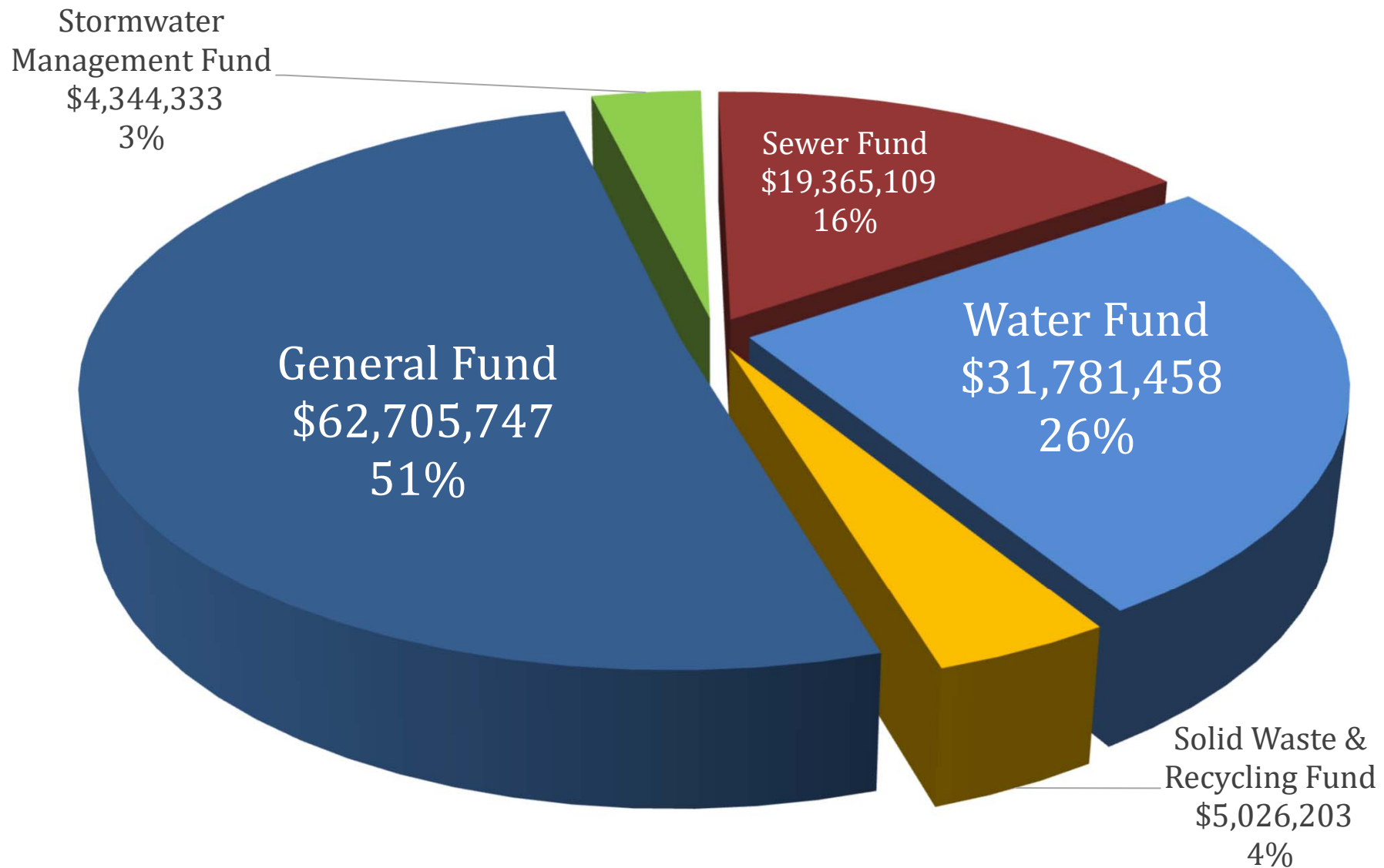
- Outside City PUC rate case will be filed in 2020
- Inside City rate increase of \$17.70/quarter for avg. residential customer
- Ongoing capital investments such as Large Diameter Main

Solid Waste and Recycling Fund

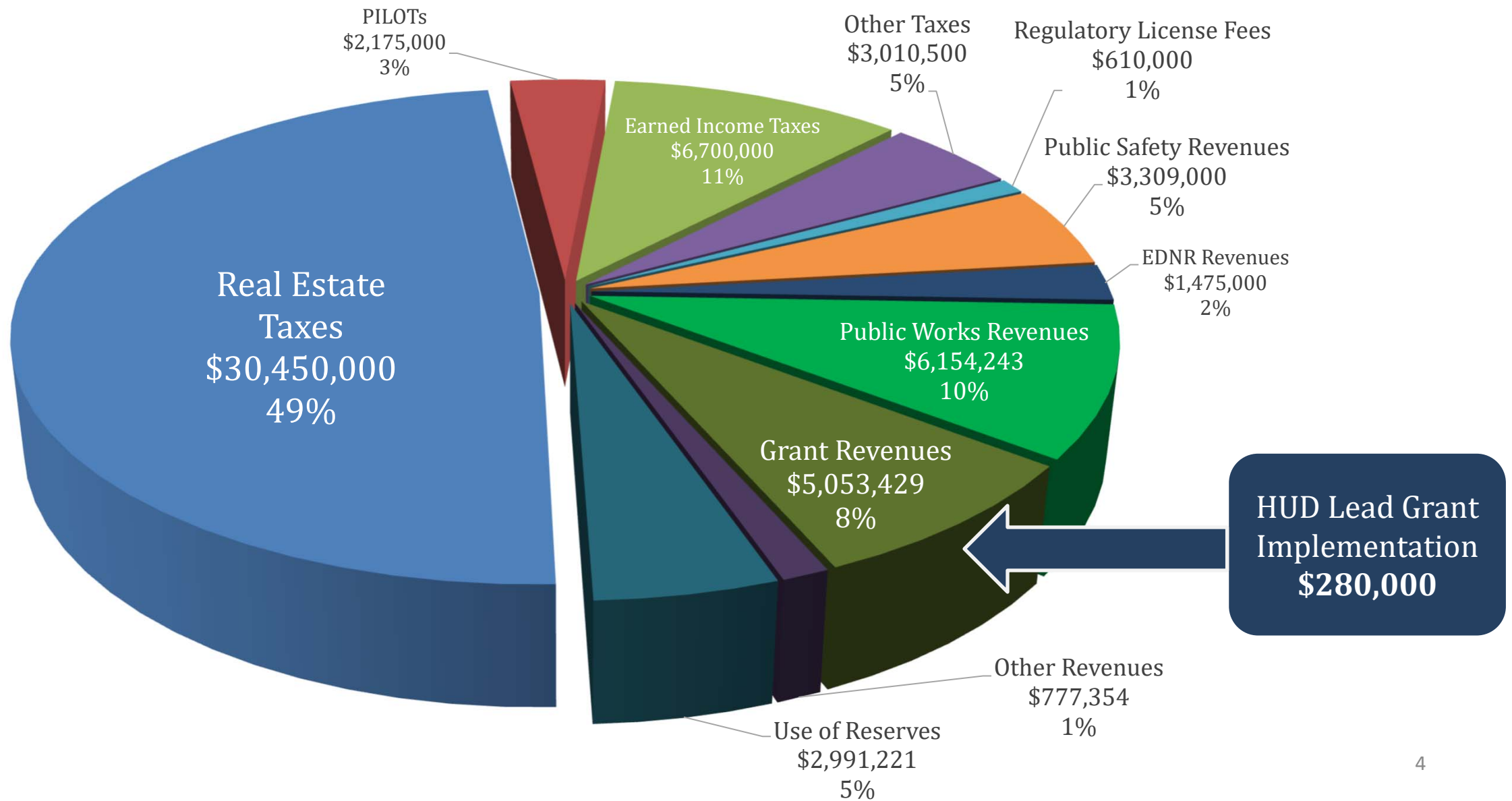
- Rate increase of \$5/quarter for all customers
- Recycling rule changes – uncertainty in market driving higher expenses
- New hauler contract bid during 2020

City of Lancaster

Combined Operating Budgets: \$123,222,850



2020 General Fund Revenues By Revenue Category

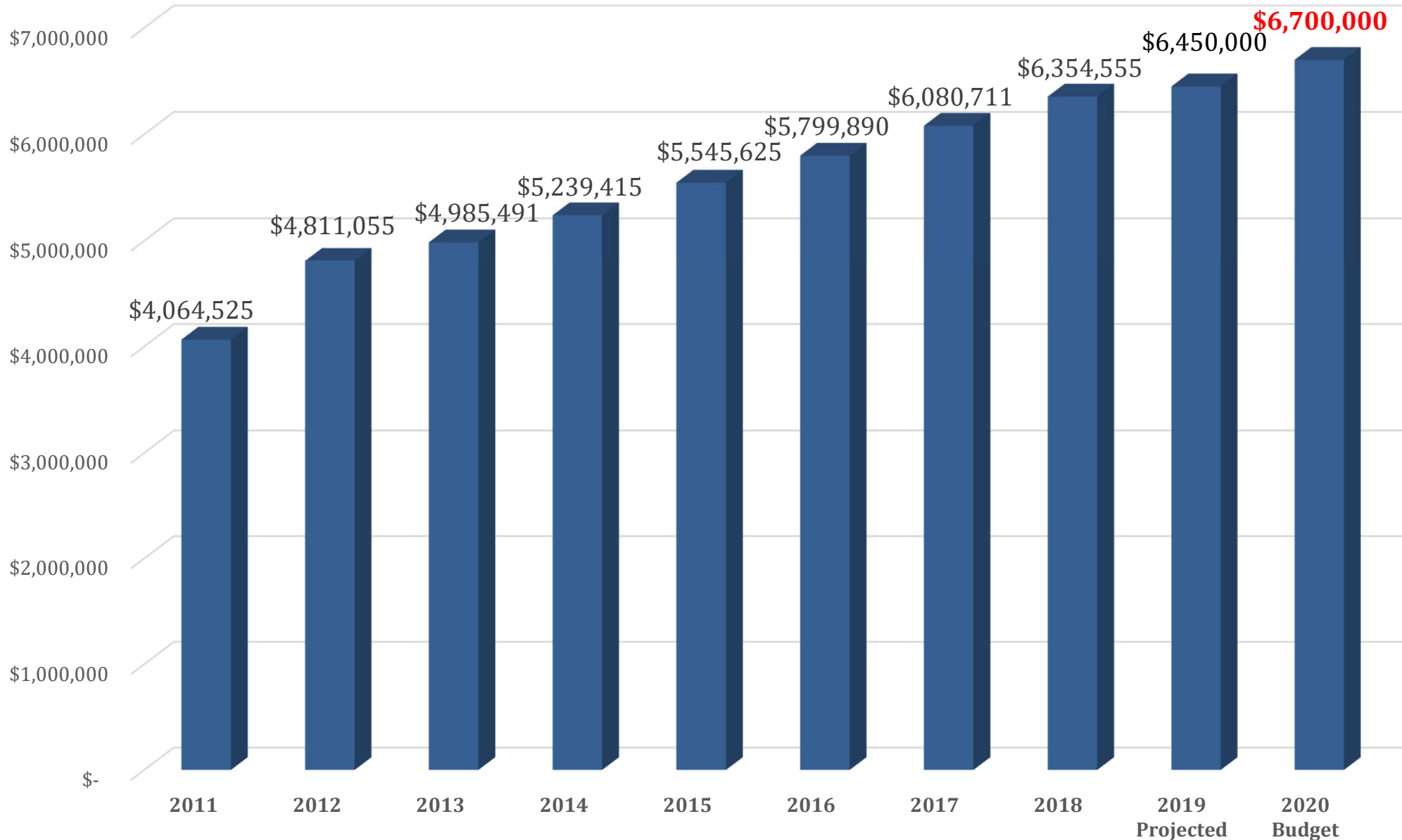


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General Fund Budget Revenue & Expense Trends

Earned Income Tax Revenues

2011-2020



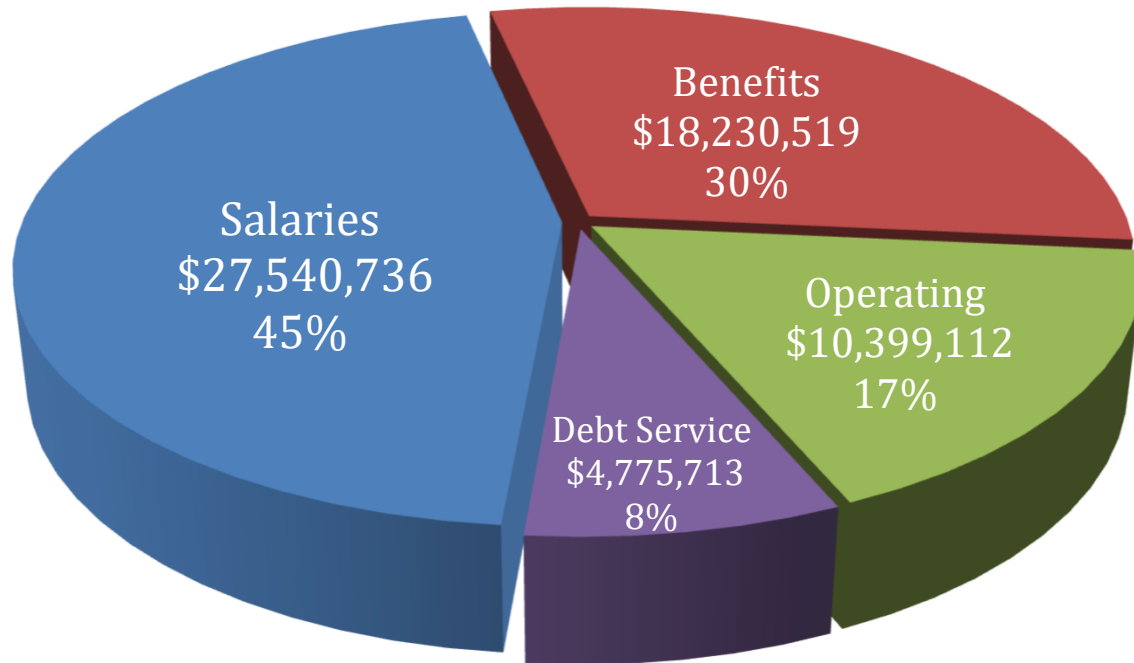
Earned Income Tax revenues are based on earnings of City residents only. Increased EIT revenues reflect the total earnings of all City residents. Increasing revenues does not mean that all City residents are earning more.

Real Estate Transfer Tax Revenues 2011-2020

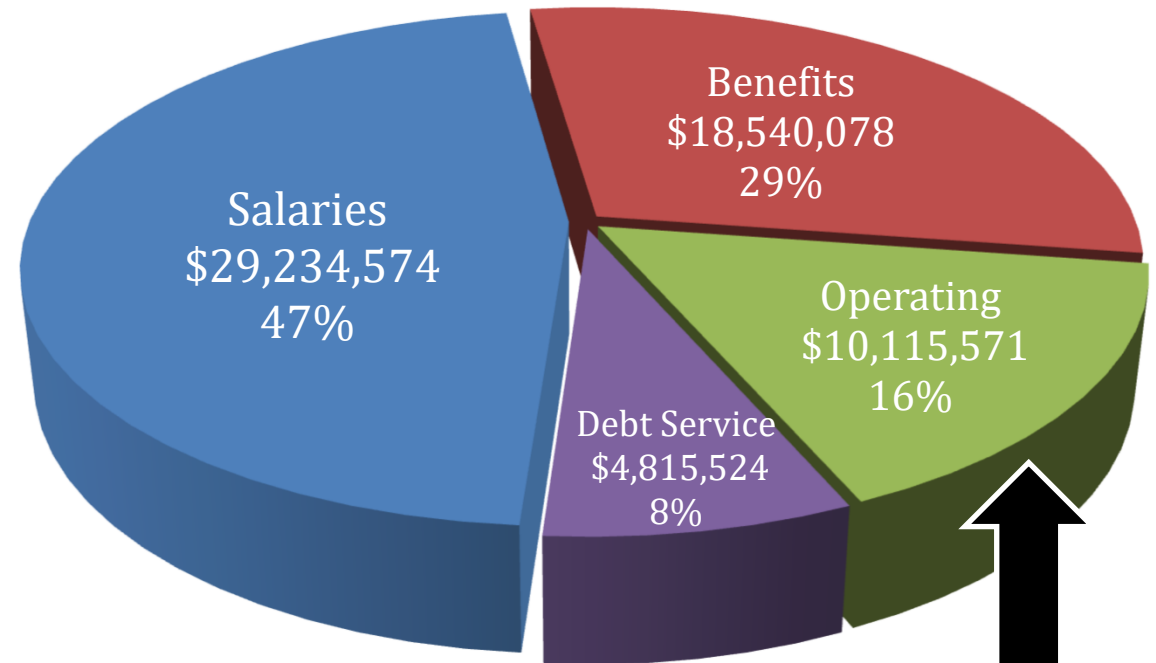


Similar, but still different

2019 Amended Budget



2020 Proposed Budget



The 2020 Proposed Budget is only **2.89%** higher than the amended 2019 Budget.

2.89% = \$1.76 million

+

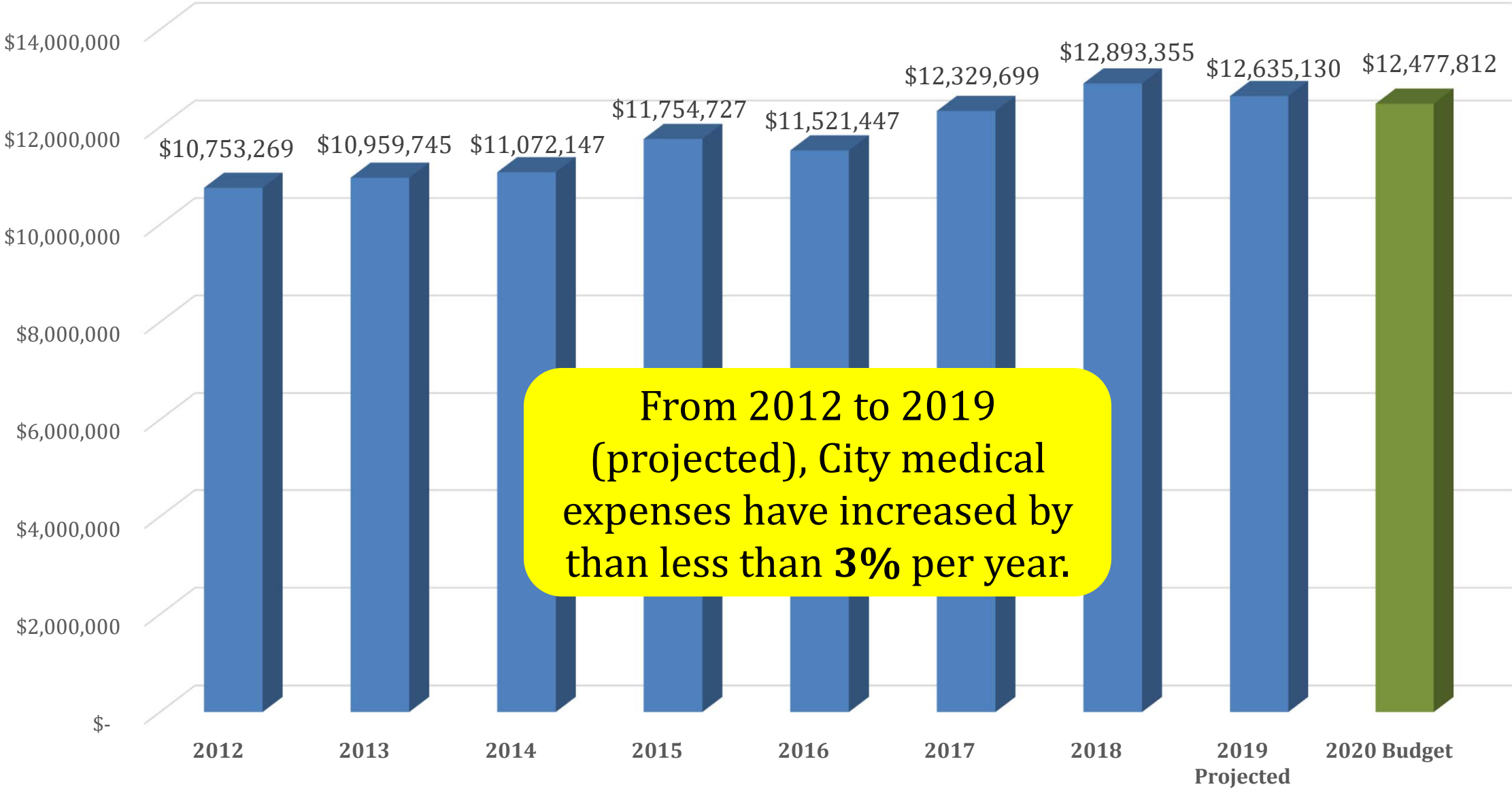
Police Radios
170 new radios
1st Year Lease cost
\$105,000

Fire Apparatus
New Engine 3
1st Year Lease cost
\$75,000

-

Public Works
Operations Center
Space Rental savings
\$175,000

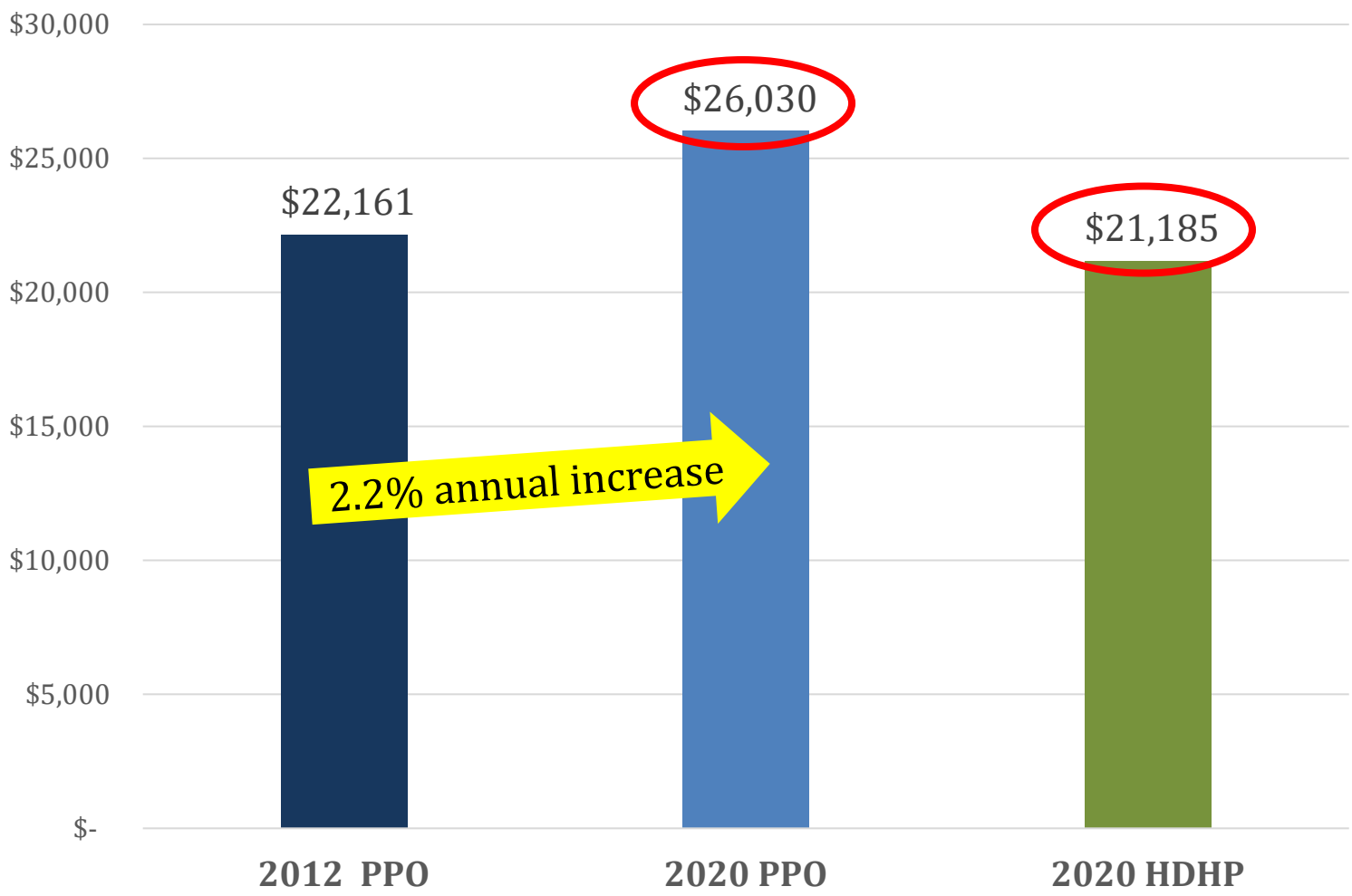
Self-Insured Medical – ALL Funds Expenses 2012-2019



Medical Insurance Rates 2012 vs. 2020

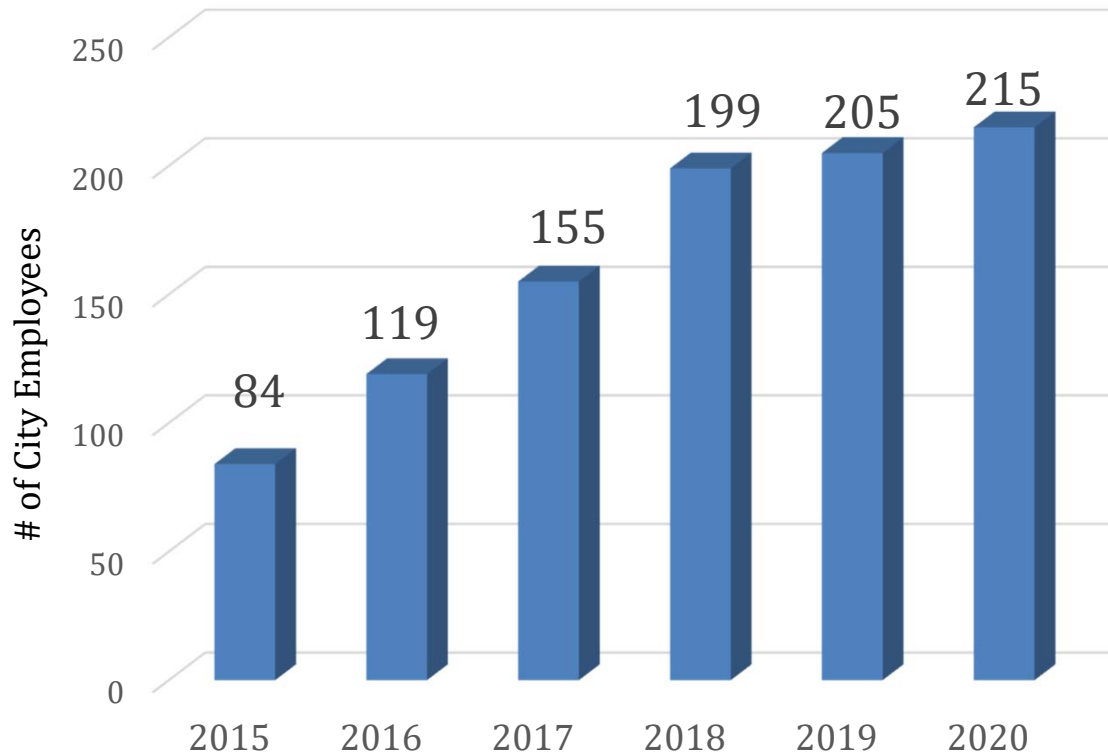
New medical plan designs bring cost savings with the same benefit levels.

COBRA EQUIVALENT RATES
Reflect the medical insurance premium cost if City were fully insured.



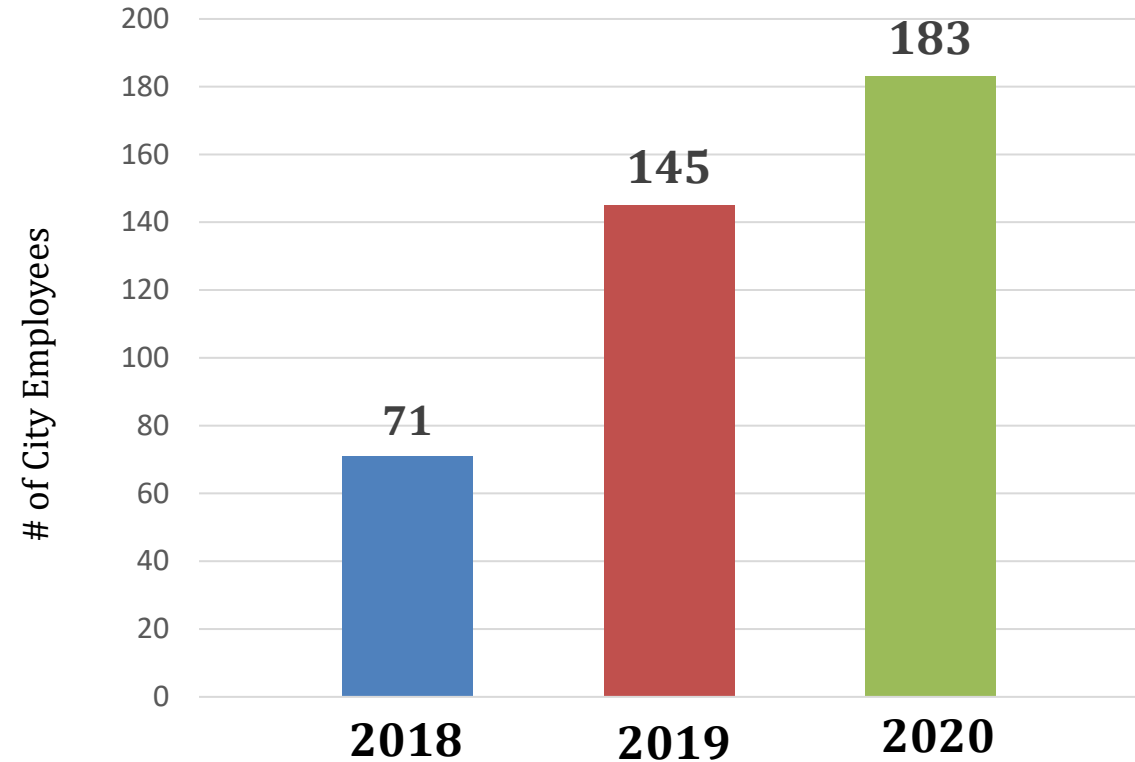
Medical Expense Cost Controls

Wellness Participation



City employee participation in wellness programs encourages better health and preventative medical care for a healthier workforce and reduction of medical claims.

2018-2020 High-Deductible Health Plan Participants



HDHP Participation has grown by 158% since 2018

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Sewer, Water & Solid Waste/Recycling Rates

Sewer & Water Expense Increases

5 line item increases =
84% of Sewer Fund expense increase

Sewer Fund

- **Debt Service** + \$800,000
Full impact of 2018 GO Bonds
- **Nutrient Credit Purchase** + \$250,000
DEP mandated expense to avoid CSO penalties
- **WWTP Salaried Personnel** +172,000
3 new positions: FOG Pre-treatment Inspector, 2 WWTP Operators
- **Vehicle Lease-Purchase** +160,000
New CCTV Camera truck for Collection System Inspections
- **Medical Insurance** +\$150,000
High claims in 2018 and 2019

4 line item increases =
94% of Water Fund expense increase

Water Fund

- **Debt Service** + \$2,900,000
Partial impact of 2018 GO Bonds
- **Professional Services** + \$515,000
PUC Rate Case (\$375,000), 2 x \$50,000 for engineering studies at CWTP & SWTP
- **CWTP Capital Outlay** +305,000
First installment for membrane tank relining (\$200,000), low & high service pump replacements
- **Trench Repaving** +\$280,000
Catch up on 2019 trench restorations and new 2020 trench restorations.

Proposed Sewer Rates

Proposed Water Rates

Lancaster County Sewer Rate Survey	
Usage = 12,000 Gallons	
Manheim Area Water & Sewer Authority	\$230.73
Denver Borough	\$178.40
Mount Joy & West Donegal Townships*	\$150.00
Suburban Lancaster Sewer Authority*	\$125.00
Leola Sewer Authority*	\$120.00
Lititz Borough	\$112.29
Mount Joy Borough	\$110.04
Millersville Borough Residential*	\$110.00
Lancaster City - PROPOSED Inside	\$109.92
Lancaster Area Sewer Authority*	\$96.99
East Lampeter Sewer Authority*	\$95.00
Elizabethtown Borough*	\$92.00
Warwick Township*	\$77.00
New Holland Borough	\$76.00
Lancaster City - PROPOSED Outside	\$75.66

*Flat rate charge not based on consumption
 ** Above rates based on June 2019 survey

Current Rates

Inside = \$81.42

Outside = \$52.25

Lancaster County Water Rate Survey	
Usage = 12,000 Gallons	
Columbia Water Company (Columbia district)	\$ 117.33
East Petersburg	\$ 109.29
Etown Borough, Mount Joy Twp & West Donegal Twp.	\$ 109.24
Mount Joy Borough	\$ 93.00
Denver Borough	\$ 91.80
East Earl Township	\$ 90.08
Columbia Water Company (Marietta district)	\$ 84.64
Lancaster City Inside - 2020 Proposed	\$ 84.15
Penn Township	\$ 75.80
Warwick Township	\$ 72.56
Ephrata	\$ 72.04
New Holland Borough	\$ 52.00
Lititz Borough	\$ 42.00

** Above rates based on November 2019 survey

Current Rates

Outside = \$68.42
 Inside = \$66.48


Average Inside City Residential Customer Quarterly Sewer Bill increases by \$28.50

Quarterly Combined Water & Sewer Bill increases by \$46.17


Average Inside City Residential Customer Quarterly Water Bill increases by \$17.67

Water Conservation Reduces Water & Sewer Bills

WATERWISE AT HOME




Water-efficient toilets save up to **4,000** gallons of water a year



A leaky faucet dripping at the rate of one drip per second can waste more than **3,000** gallons per year

10% of homes have leaks that waste 90 gallons or more per day



A shower leaking at **10 Drips** per minute waste more than **500** gallons per year

Average Residential
Customer
12,000 gallons of
water usage/quarter

Water Saver
Customer
10,000 gallons of
water usage/quarter

Quarterly Water Bill
\$84.15

Quarterly Water Bill
\$74.68

Quarterly Sewer Bill
\$109.92

Quarterly Sewer Bill
\$91.60

Quarterly Combined
Water & Sewer Bill
\$194.07

Quarterly Combined
Water & Sewer Bill
\$166.28

Reducing water usage by 2,000 gallons of water each quarter saves nearly \$30/quarter and cuts the impact of the Water & Sewer rate increases by **60%**.

Utility Assistance Program

New for 2020, \$50,000 is budgeted between the Sewer & Water Funds for the **Utility Assistance Program**.

City funds will be matched by other non-profit organizations and foundations.

Utility Assistance Program will be administered by Community Action Partnership (CAP).

City resident utility customers who are at risk of water service termination for non-payment will be referred to CAP for assistance.

CAP will use UAP funds to help these customers avoid water service termination.

CAP will also provide other services to these residents so they can become financially stable and remain in their homes.

UAP Success =
Residents avoid water service termination, receive financial planning and other assistance and avoid the risk of losing their housing.

Solid Waste & Recycling

Recycling Market Uncertainty & New Hauler Contract

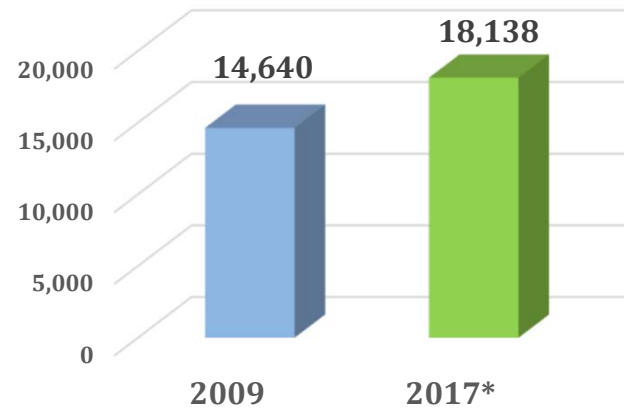
How will continued recycling market upheaval affect recycling?

How will new hauler contract in 2020 affect overall system costs?

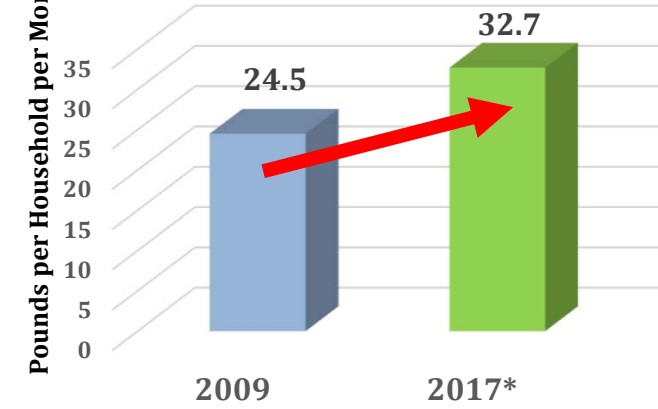
Even with \$5/unit increase per quarter in 2020, Residential Solid Waste & Recycling rates have increased less than 1.5% per year since the single-hauler system began in 2006.

Before the recycling market upheaval...

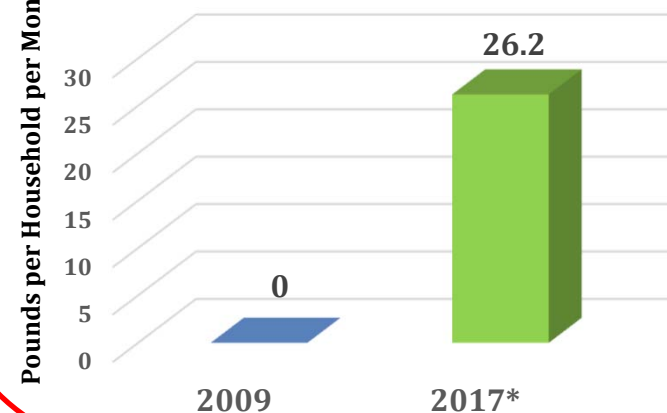
Total Single Hauler Customers



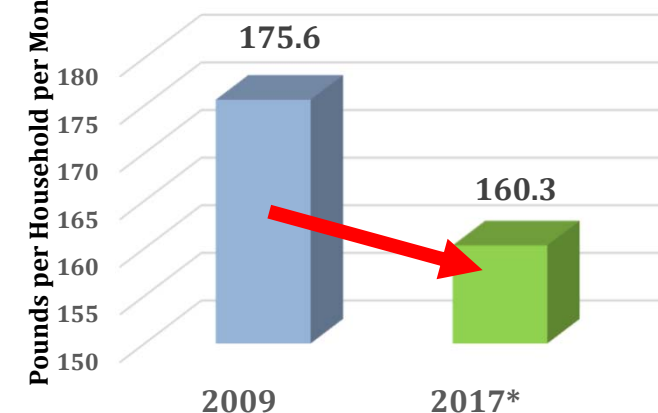
Recycling Collected



Yard Waste Collected



Trash Collected



* Through Oct 2017

Solid Waste & Recycling Statistics 2019 vs. 2018

Materials Collected	2018 (Through October)	2019 (Through October)	2019 vs. 2018 (Tons)	2019 vs. 2018 % Change
Solid Waste	14,490	14,498	8	0.06%
Curbside Recycling	3,396	2,982	(414)	-12.20%
Recycling Drop Off Center	395	716	321	81.27%
Yard Waste	258	313	54	21.07%

* All figures through October of each year

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Five-Year Projection

General Fund - Five Year Projections 2020-2024

This forecast assumes no change in Real Estate Tax rate after 2020.

		2019	2019	2020	2021	2022	2023	2024	
		Amended	Projected	Proposed Budget	Projected	Projected	Projected	Projected	
	Taxes Paid on Avg Residential	\$1,184.22	\$1,184.22	\$1,184.22	\$1,184.22	\$1,184.22	\$1,184.22	\$1,184.22	
	Annual Increase	\$101.22	\$101.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	Weekly increase	\$1.95	\$1.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	Tax Increase %	9.3%	9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Real Estate Millage	11.70	11.70	11.70	11.70	11.70	11.70	11.70	
	Real Estate Revenue	0.1%	\$29,305,800	\$29,230,000	\$29,500,000	\$29,529,500	\$29,559,030	\$29,588,589	\$29,618,177
	Earned Income Tax	2.0%	\$6,375,000	\$6,450,000	\$6,700,000	\$6,834,000	\$6,970,680	\$7,110,094	\$7,252,295
	Local Services Tax	0.5%	\$1,700,000	\$1,660,000	\$1,670,000	\$1,678,350	\$1,686,742	\$1,695,175	\$1,703,651
	Sale of City Tax Claims		\$850,000	\$958,459	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000
	Police Services		\$893,500	\$881,500	\$882,000	\$890,820	\$899,728	\$908,725	\$917,813
	Other Revenues	1.5%	\$16,468,833	\$17,635,547	\$16,415,865	\$16,662,103	\$16,912,035	\$17,165,716	\$17,423,201
	PA Pension Aid (GF only)	2.0%	\$2,903,331	\$3,190,372	\$3,320,000	\$3,386,400	\$3,454,128	\$3,523,211	\$3,593,675
	Total Revenues (not including reserves)		\$58,496,464	\$60,005,878	\$59,714,526	\$59,931,173	\$60,432,342	\$60,941,509	\$61,458,813
	Revenue increase vs. Prior Year			2.1%	0.4%	0.8%	0.8%	0.8%	
Expenditures									
	Total Salaries	2.5%	\$28,006,674	\$27,088,198	\$29,234,574	\$29,965,438	\$30,714,574	\$31,482,439	\$32,269,500
	Total Benefits	3.0%	\$18,259,134	\$18,119,956	\$18,540,078	\$19,596,280	\$20,184,169	\$20,789,694	\$21,413,385
	Total Labor Costs		\$46,265,808	\$45,208,154	\$47,774,652	\$49,561,719	\$50,898,743	\$52,272,132	\$53,682,884
	Total Operating Costs	2.0%	\$9,714,559	\$9,916,474	\$10,115,571	\$10,317,882	\$10,524,240	\$10,734,725	\$10,949,419
	Total Debt Service		\$4,965,713	\$4,425,673	\$4,815,524	\$5,273,968	\$5,413,968	\$5,413,968	\$5,413,968
	Total Non-Labor Costs		\$14,680,272	\$14,342,147	\$14,931,095	\$15,591,850	\$15,938,208	\$16,148,693	\$16,363,387
	Total Expenditures		\$ 60,946,080	\$ 59,550,301	\$ 62,705,747	\$ 65,153,569	\$ 66,836,951	\$ 68,420,825	\$ 70,046,272
	Expense Increase vs. Prior Year			2.9%	3.9%	2.6%	2.4%	2.4%	
	Surplus/(Deficit)		(\$2,449,616)	\$455,577	(\$2,991,221)	(\$5,222,396)	(\$6,404,609)	(\$7,479,316)	(\$8,587,459)
	TOTAL GF FUND BALANCE		\$ 11,399,532	\$ 14,304,725	\$ 11,313,504	\$ 6,091,108	\$ (313,500)	\$ (7,792,816)	\$ (16,380,275)
	Total Fund Balance as a percentage of Expenditures		18.7%	24.0%	18.0%	9.3%	-0.5%	-11.4%	-23.4%

