

2022 Budget Overview



CITY OF
LANCASTER

Proposed 2022 Budget

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

Danene Sorace
Mayor



CITY OF
LANCASTER

CITYOFLANCASTERPA.COM



Highlights

General Fund

- No Real Estate Tax increase
- ARPA Revenue Replacement (2021-2024)
- Year 2 of bond refinancing savings = \$1.9 million
- EIT Revenues rebounding, LST revenues flat
- Real Estate Transfer revenues still strong

Stormwater Management Fund

- No Stormwater Fee increase
- Green Infrastructure projects continuing for EPA consent decree compliance

Sewer Fund

- No Sewer Rate increase
- Year 2 of bond refinancing savings = \$1.8 million
- Mandated planning & projects continuing for EPA consent decree compliance

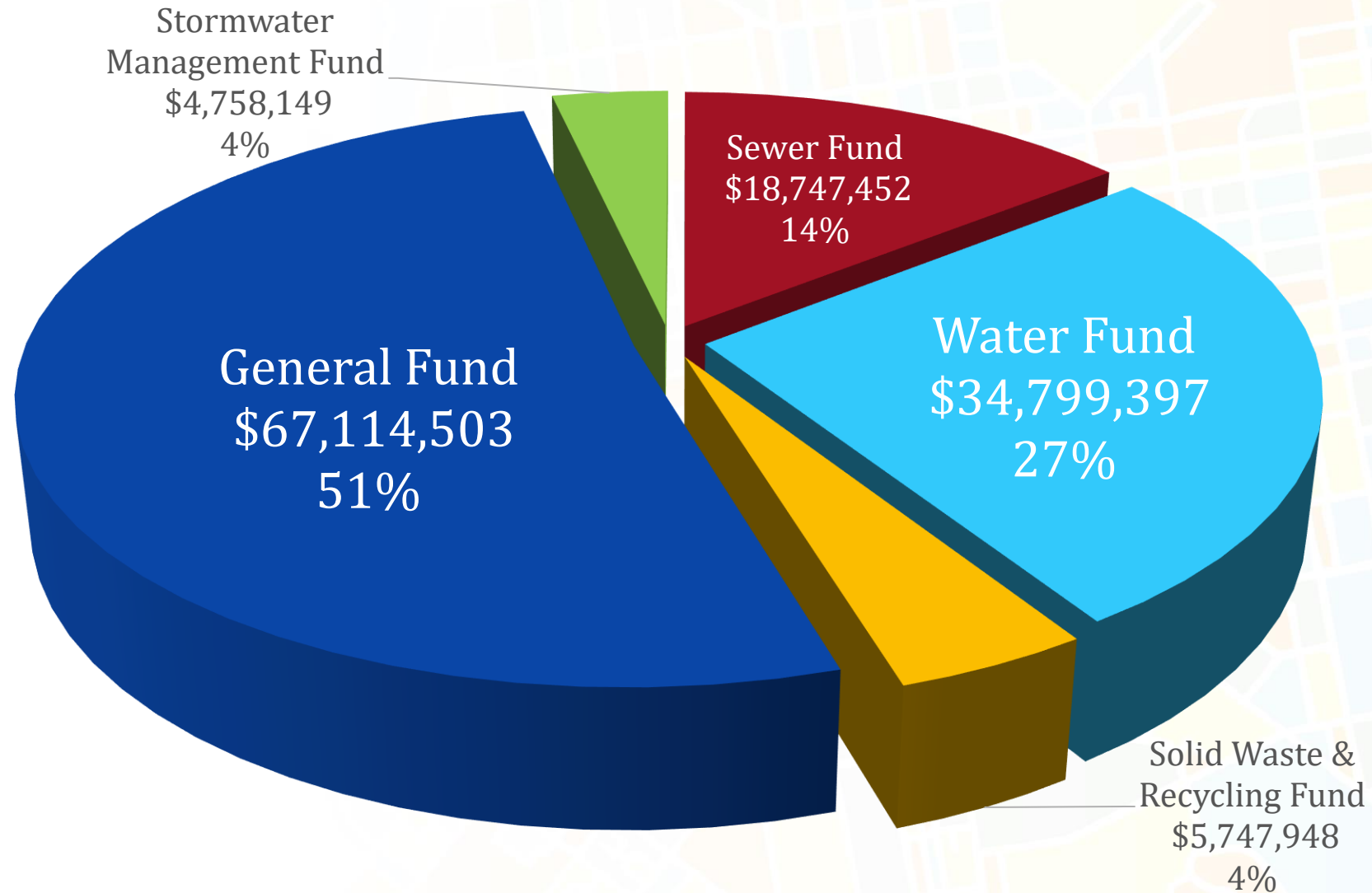
Water Fund

- Outside City PUC rate case ongoing
- Inside City revenues estimated on future rate increase when PUC case ends
- Ongoing capital investments: Large Diameter Main, South Tank, etc.

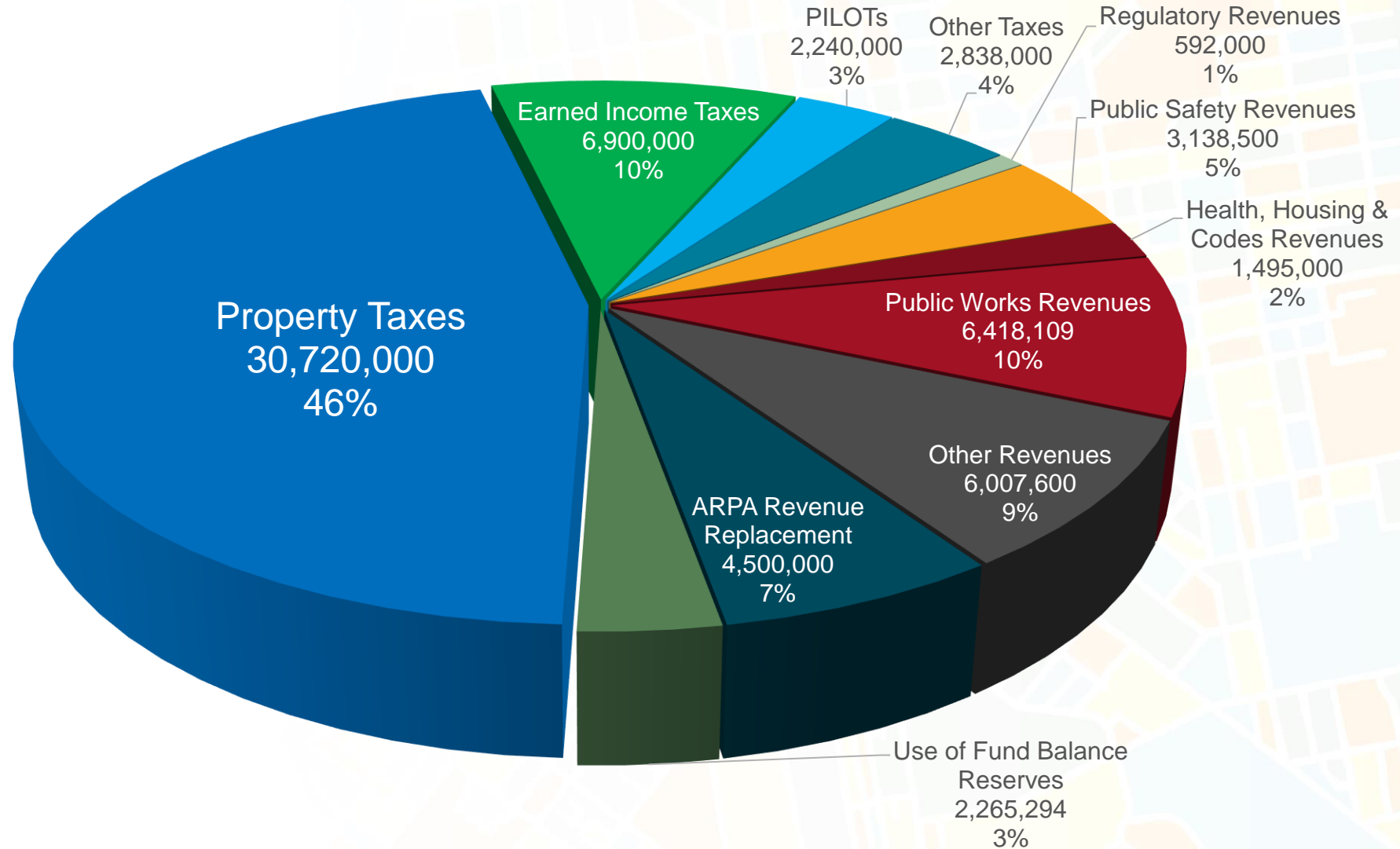
Solid Waste and Recycling Fund

- Rate increase of \$4/quarter for all customers
- Hauler, LCSWMA, and Yard Waste fee increases

Combined Operating Budgets: \$131,167,449

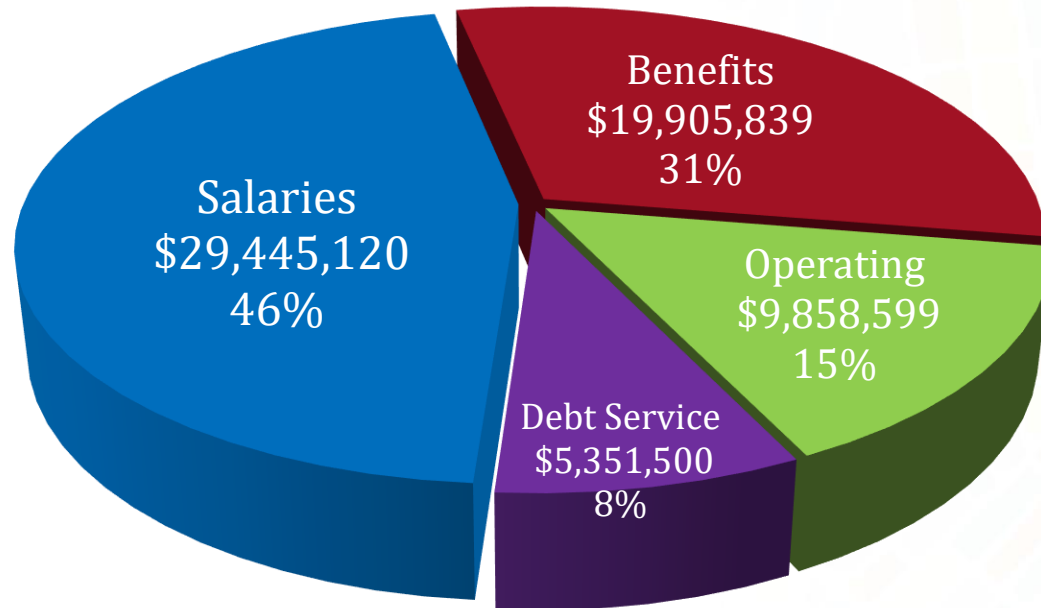


General Fund Revenues - 2022

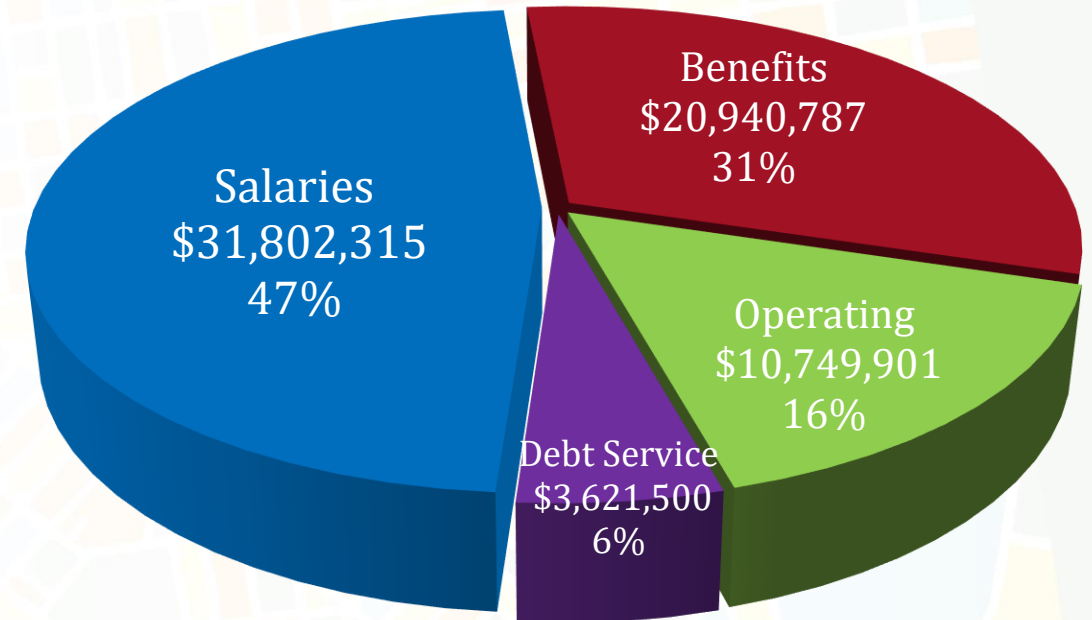


General Fund Expense Budget Comparison

2021 Adopted Budget



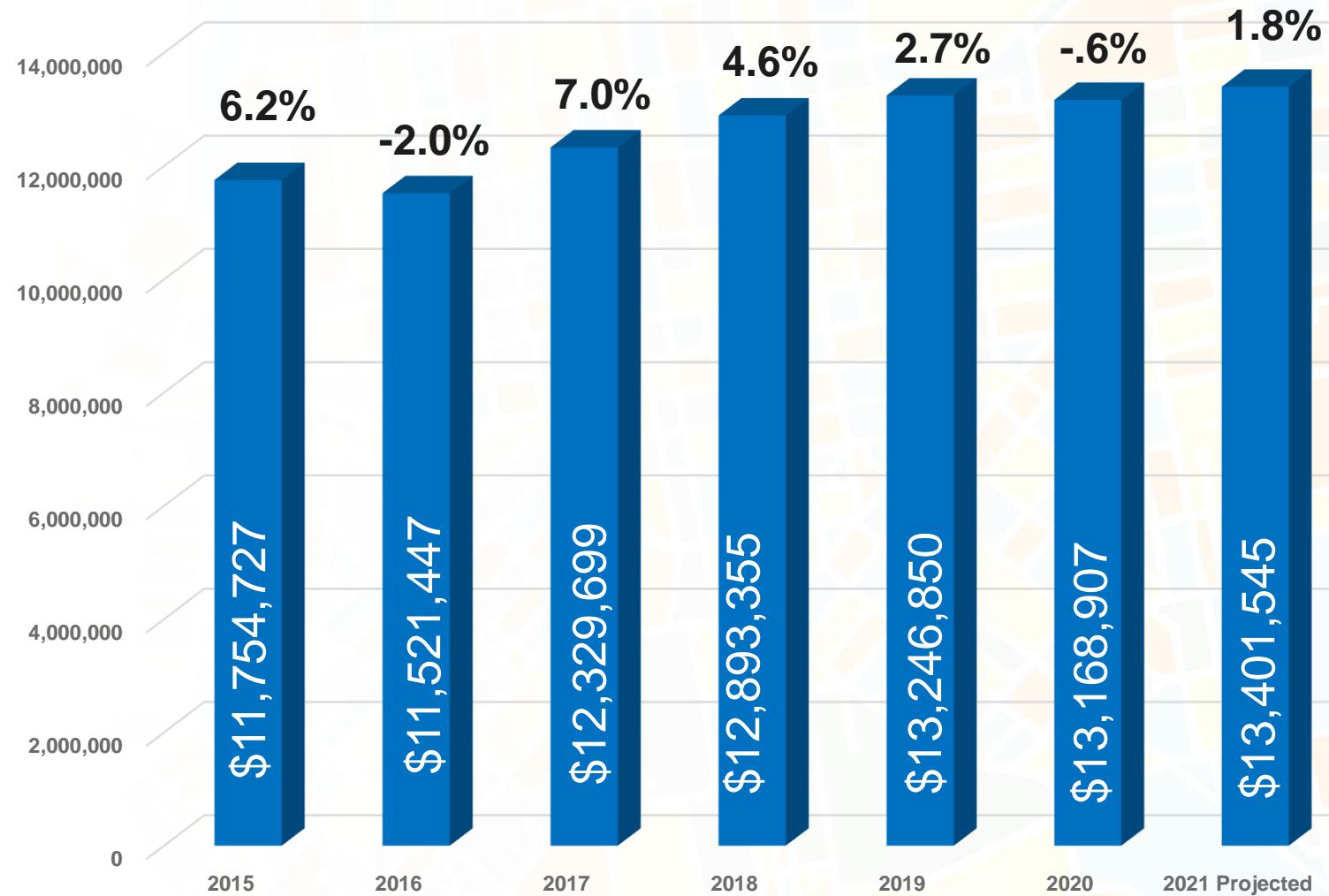
2022 Proposed Budget



The 2022 Proposed General Fund Budget is **3.96%** higher than the Adopted 2021 Budget.

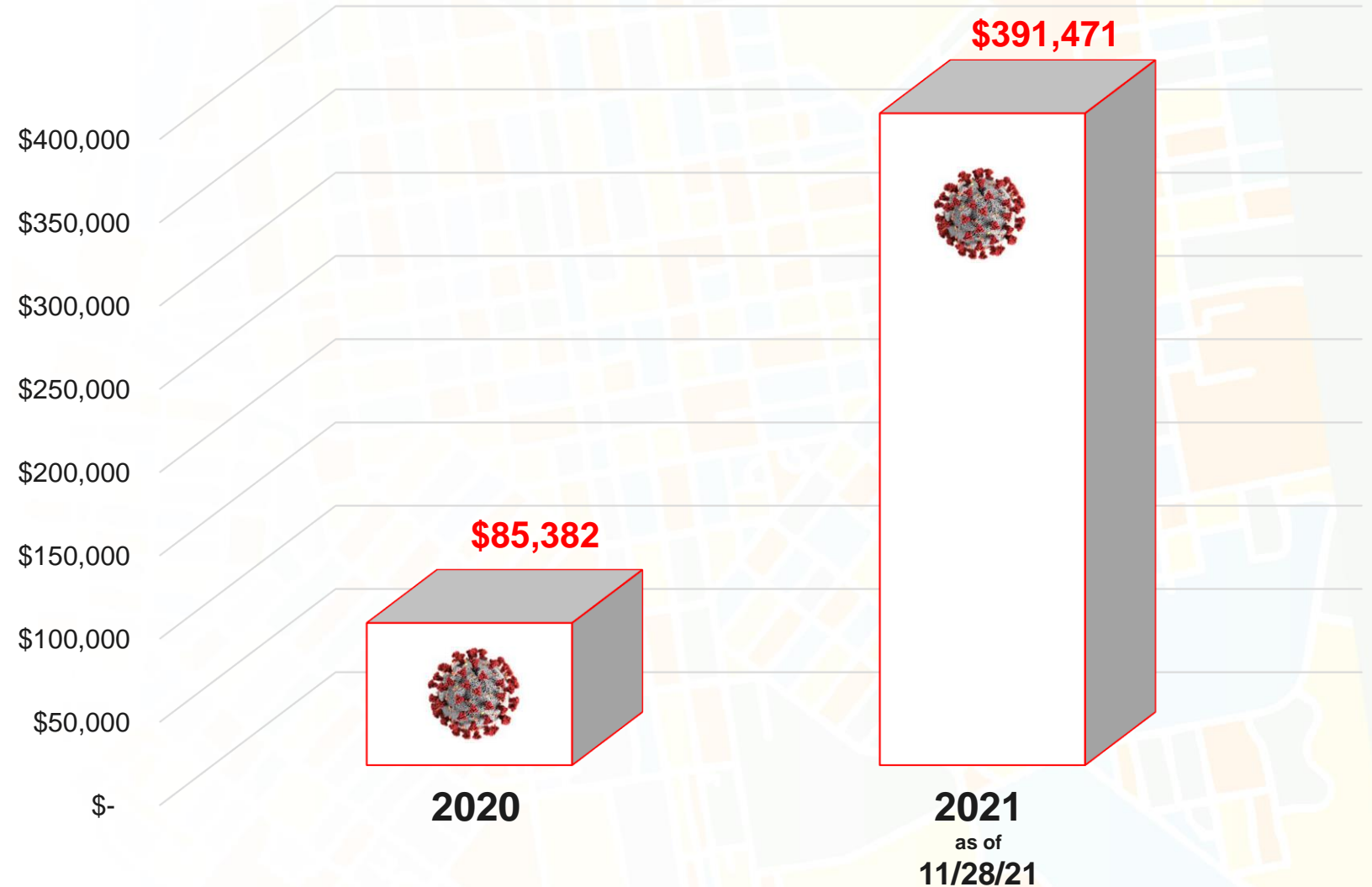
City Medical Claims Costs – ALL Funds

From 2012 to 2021 (projected), City medical expenses have increased by only 2.5% per year.



COVID-19 Medical Claims Costs

Since the beginning of the pandemic, the City has incurred nearly \$500,000 of COVID-19 specific medical claims expenses.



Internal Service Fund expenses

City of Lancaster Internal Service Fund - Health Care Costs Year-To-Date As of September 30, 2021										
	Admin	Police	General Fund Fire	CPED	PW	SWM Fund	Sewer Fund	Water Fund	Solid Waste & Recycling	Totals
Interest Earned										0.00
Employee Contributions	12,672.17	178,873.88	64,466.42	33,570.87	45,167.79	10,142.47	44,277.33	88,566.45	5,351.78	483,089.16
City Contributions	262,500.03	3,112,499.97	1,762,500.06	825,000.03	825,000.03	225,000.00	749,999.97	1,500,000.03	86,249.97	9,348,750.09
Retiree Contributions	8,905.00	6,815.32	750.00	20,223.71	19,340.00	1,440.00	(4,095.00)	(6,728.14)	1,680.00	48,330.89
Total Revenues	284,077.20	3,298,189.17	1,827,716.48	878,794.61	889,507.82	236,582.47	790,182.30	1,581,838.34	93,281.75	9,880,170.14
Retiree Claims Paid	(16,470.58)	(913,095.86)	(493,942.74)	(61,918.64)	(158,535.07)	(225.88)	(95,820.17)	(49,231.67)	(17,363.99)	(1,806,604.60)
Employee Claims Paid	(159,747.64)	(1,957,985.46)	(702,333.37)	(506,523.48)	(1,064,067.64)	(196,963.28)	(437,604.53)	(887,644.69)	(124,312.22)	(6,037,182.31)
Retiree Premiums Paid	(26,390.00)	(219,390.20)	(176,952.50)	(36,917.60)	(31,438.50)	(2,080.00)	(25,155.00)	(46,724.10)	(2,340.00)	(567,387.90)
Admin Fees - Employees	(12,254.66)	(70,790.44)	(29,225.26)	(11,349.41)	(20,042.63)	(9,251.41)	(23,399.32)	(28,896.31)	(2,351.29)	(207,560.73)
Admin fees - Retirees	(7,246.53)	(55,864.78)	(43,029.55)	(10,193.95)	(11,128.26)	(462.75)	(11,234.89)	(5,077.41)	(5,978.13)	(150,216.25)
HSA Contribution	(34,416.49)	(157,520.00)	(97,500.00)	(45,000.00)	(14,250.00)	(7,412.00)	(42,539.01)	(11,842.50)	(8,290.00)	(418,770.00)
Wellness Expenses	(4,590.52)	(15,920.97)	(6,298.32)	(3,215.84)	(5,657.73)	(660.50)	(3,687.57)	(4,902.06)	(943.98)	(45,877.49)
In Lieu Insurance Pymts	(54,059.84)	(119,723.45)	(43,022.08)	(13,300.83)	(14,576.55)	(15,284.16)	(62,003.39)	(82,787.09)	(10,755.52)	(415,512.91)
Total Expenses	(315,176.26)	(3,510,291.16)	(1,592,303.82)	(688,419.75)	(1,319,696.38)	(232,339.98)	(701,443.88)	(1,117,105.83)	(172,335.13)	(9,649,112.19)
2021 Surplus/(Deficit)	(31,099.06)	(212,101.99)	235,412.66	190,374.86	(430,188.56)	4,242.49	88,738.42	464,732.51	(79,053.38)	231,057.95
2020 Carryover	(27,189.78)	(510,386.82)	(306,618.67)	6,533.68	(127,138.90)	39,619.77	160,288.66	454,174.53	4,794.29	(305,923.24)
2019 Carryover	93,976.28	(467,086.08)	(7,123.09)	(110,234.08)	(19,678.73)	34,909.91	(322,710.57)	382,864.74	10,862.05	(404,219.57)
2018 Carryover	(3,936.23)	(1,098,904.99)	267,147.43	(372,534.13)	121,786.20	(61,344.76)	(187,428.12)	541,905.28	(6,029.49)	(799,338.81)
2017 Carryover	531,752.41	(197,608.58)	(75,538.80)	(304,884.13)	(429,773.88)	(91,879.03)	29,976.08	323,133.58	19,600.25	(195,222.10)
2016 Carryover	441,319.78	64,949.61	(328,961.95)	(380,796.96)	(63,062.21)	(88,881.38)	(52,869.87)	148,876.87	(43,576.63)	(303,002.74)
2013 to 2015 Carryover	1,638,440.36	1,936,527.89	876,883.41	(902,618.30)	(831,182.91)	(72,867.75)	523,943.07	(1,404,290.53)	23,243.31	1,788,078.55
Net Department Totals	2,643,263.76	(484,610.96)	661,200.99	(1,874,159.06)	(1,779,238.99)	(236,200.75)	239,937.67	911,396.98	(70,159.60)	11,430.04
GF Subtotal			(833,544.26)							
Enterprise Subtotal									844,974.30	

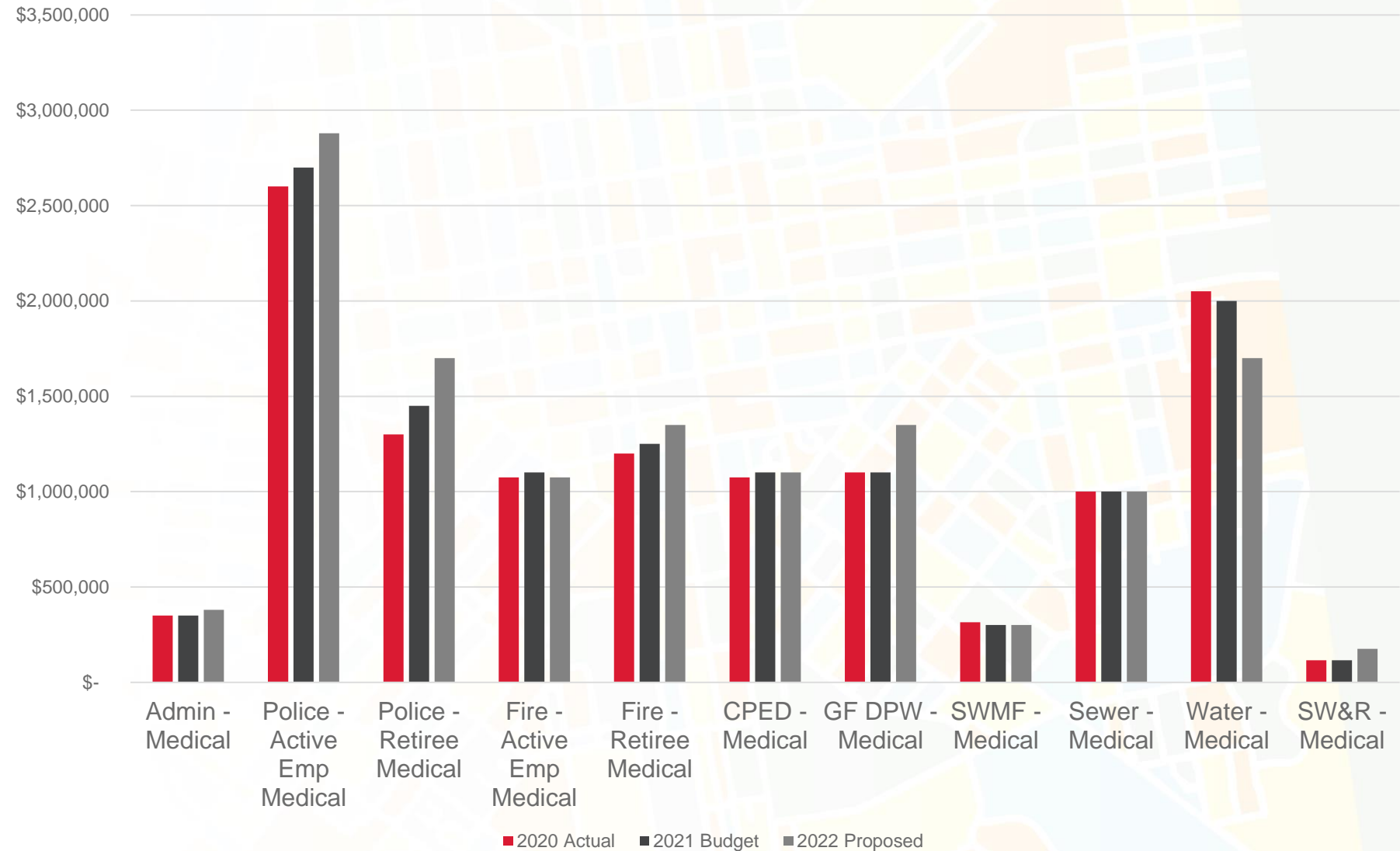


2020-2022 Medical ISF Budgets

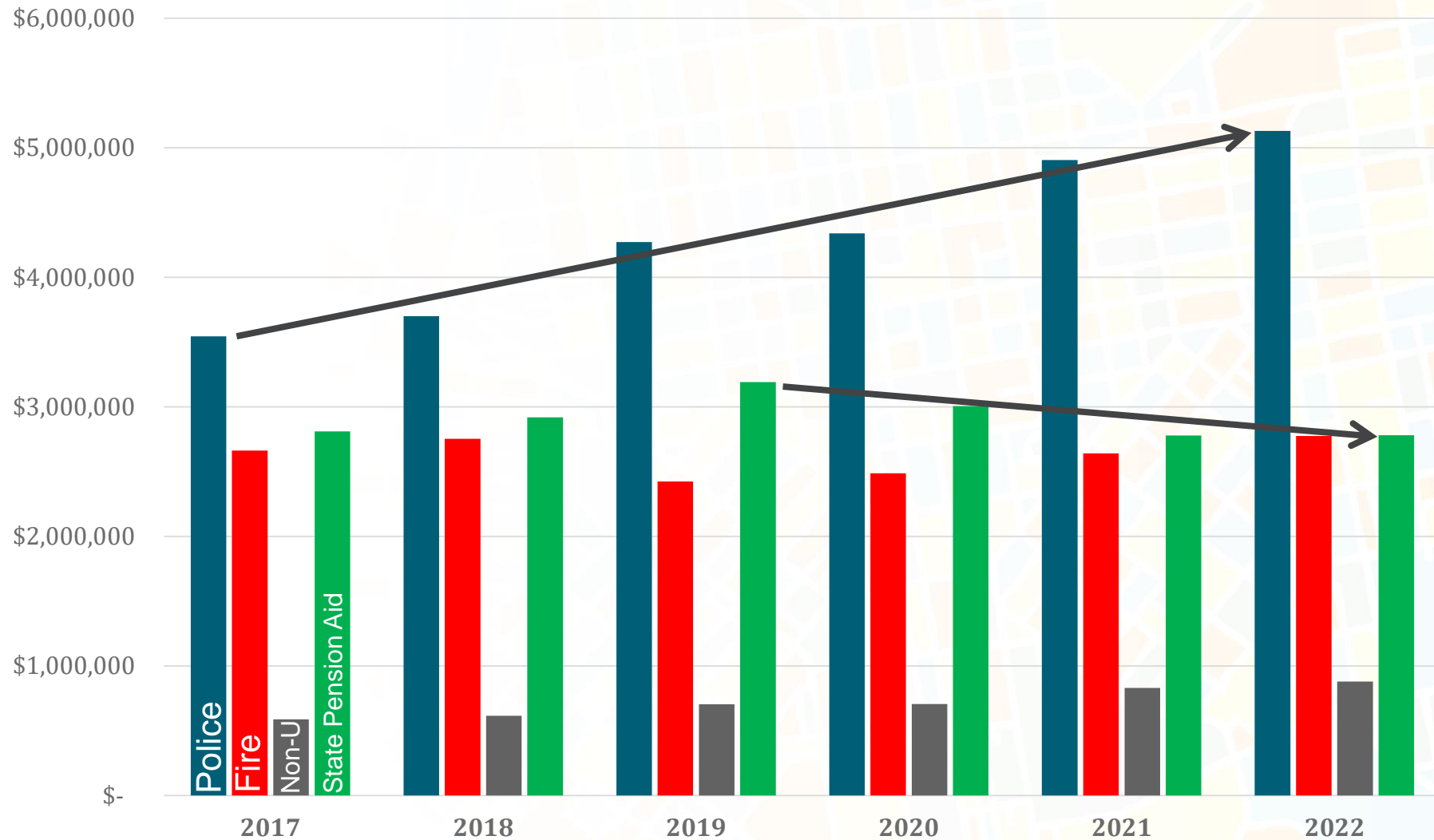
2022 ISF Contribution Changes

Admin: + \$30,000
Police: + \$430,000
Fire: + \$75,000
GF DPW: + \$250,000
GF TOTAL: + \$785,000

Water: - \$300,000
SW&R: + \$60,000



Pension obligations vs. PA State Aid



Bond Refinancing Savings since 2010

Summary of Refinancing Savings since 2010 (Present Value)

Issue Date	Refinancing Issue	Issue Refinanced	Total Savings	Savings by Fund		
				General Fund	Sewer Fund	Water Fund
2/11/2010	2010 Bonds	2003 Bonds	270,745	249,085		21,660
4/13/2015	2015 Note	2010 Bonds	548,150	504,298		43,852
11/4/2015	2015 Bonds	2006 POB Bonds	819,052	819,052		
4/7/2016	2016 Bonds	2007 Bonds	9,152,042	1,176,732	451,609	7,523,702
2/26/2019	2019 Bonds	2009 Notes	2,003,655	837,574	429,512	736,569
5/27/2021 *	2021 Bonds	2019A Note	1,584,084	1,584,085		
11/21/2021	2021A&B Notes	2011 Bonds/2015 Note Portions of 2016 & 2019	7,122,234	674,964	5,298,632	1,148,638
		Totals	21,499,963	5,845,791	6,179,753	9,474,420

*Excess proceeds made available for capital projects through lower interest rates.



Solid Waste & Recycling Fee Proposal - 2022

The \$4/quarter residential unit fee increase will cover three cost increases.

Since inception of the City single-hauler program in late 2006, the residential unit fee will have increased 2.9%/year.

2021 Hauler Fee

**\$123.48/
residential unit**

2022 Hauler Fee

**\$129.53/
residential unit**

2021 LCSWMA
Tipping/Transfer Fee

\$82.00/ton

2022 LCSWMA
Tipping/Transfer Fee

\$85.00/ton

2021 Yard Materials
Processing Fee

\$30.00/ton

2022 Yard Materials
Processing Fee

\$35.00/ton

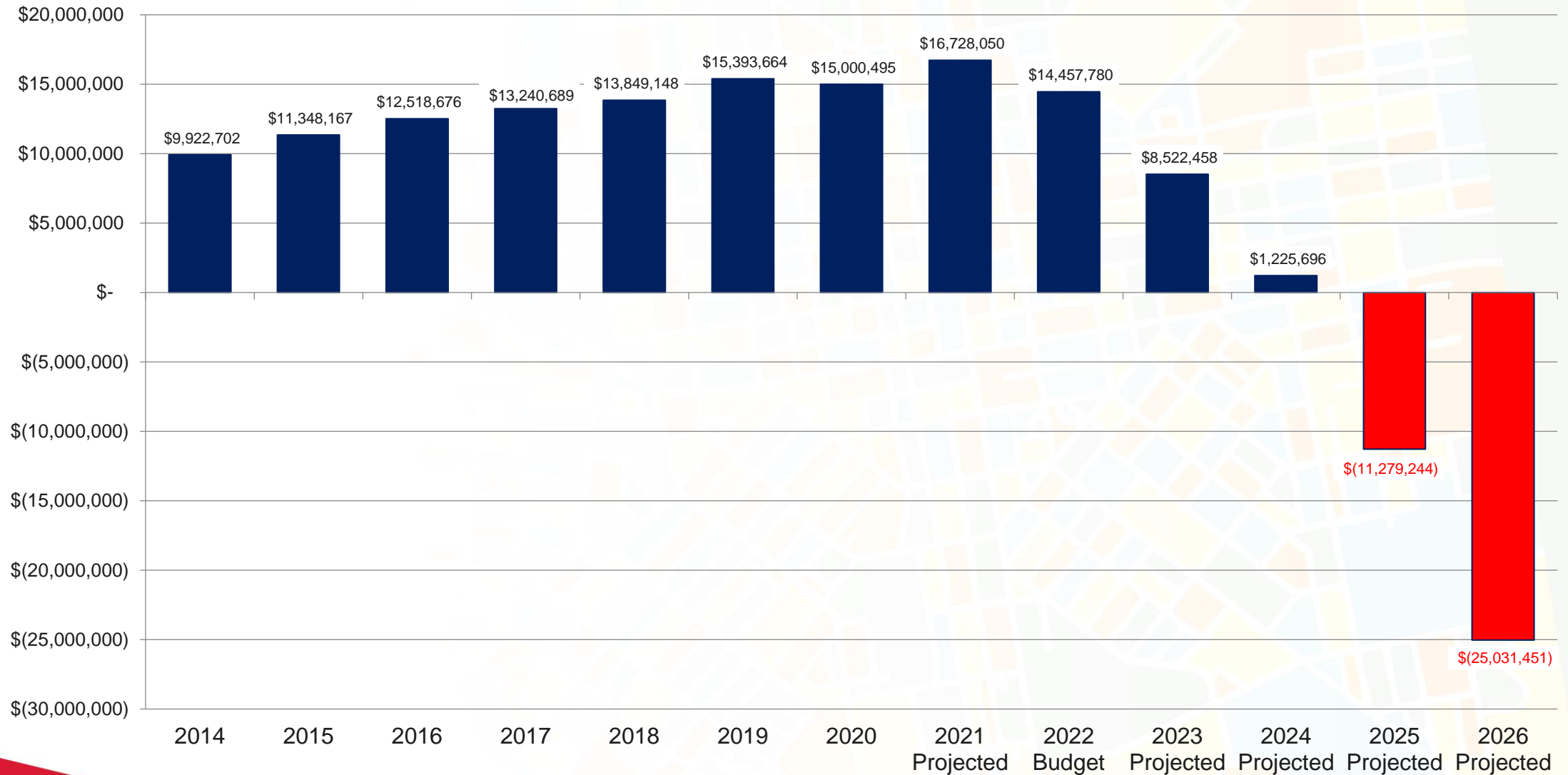


Five Year Projection

		2020	2021	2021	2022	2023	2024	2025	2026
		Audited	Adopted Budget	Projected	Proposed	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	\$1,184.22
	Annual Increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Weekly increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Tax Increase %	0.0%	0.0%	0.0%	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	11.70
	Real Estate Revenue	0.1%	\$29,289,941	\$29,275,000	\$29,500,000	\$29,529,500	\$29,559,030	\$29,588,589	\$29,618,177
	Earned Income Tax	2.0%	\$6,562,099	\$6,500,000	\$6,750,000	\$6,900,000	\$7,038,000	\$7,178,760	\$7,468,782
	Local Services Tax	0.5%	\$1,490,588	\$1,550,000	\$1,450,000	\$1,500,000	\$1,507,500	\$1,515,038	\$1,530,226
	Sale of City Tax Claims		\$1,033,852	\$1,025,000	\$1,071,137	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
	ARPA Revenue Replacement		\$0	\$0	\$3,159,776	\$4,500,000	\$4,000,000	\$4,000,000	
	Police Services		\$613,033	\$536,500	\$851,500	\$861,500	\$870,115	\$878,816	\$896,480
	Other Revenues	1.5%	\$17,525,879	\$17,684,185	\$18,146,644	\$17,707,710	\$17,973,326	\$18,242,926	\$18,794,318
	PA Pension Aid (GF only)	2.0%	\$3,005,048	\$3,005,000	\$2,778,838	\$2,780,000	\$2,835,600	\$2,892,312	\$3,009,161
	Total Revenues (not including reserves)		\$59,520,440	\$59,575,685	\$63,707,894	\$64,849,209	\$64,854,041	\$65,366,881	\$62,417,144
	Revenue increase vs. Prior Year		-1.8%	-0.2%	6.9%	1.8%	0.0%	0.8%	-5.3%
	Expenditures		vs. 2019 Audited	vs. 2020 Budget	vs. 2021 Budget	vs. 2021 Projected	vs. 2022 Proposed	vs. 2023 Projected	vs. 2024 Projected
	Total Salaries	2.5%	\$27,589,020	\$29,542,876	\$29,498,325	\$31,802,315	\$32,597,373	\$33,412,307	\$34,247,615
	Total Benefits	3.0%	\$18,659,795	\$19,869,020	\$19,591,021	\$20,940,787	\$21,569,011	\$22,216,081	\$22,882,563
	Total Labor Costs		\$46,248,815	\$49,411,896	\$49,089,346	\$52,743,102	\$54,166,383	\$55,628,388	\$57,130,178
	Total Operating Costs	2.0%	\$8,851,803	\$9,797,662	\$9,089,181	\$10,749,901	\$10,964,899	\$11,184,197	\$11,407,881
	Total Debt Service		\$4,812,991	\$5,351,500	\$3,801,812	\$3,621,500	\$5,652,980	\$5,845,830	\$5,849,390
	Total Non-Labor Costs		\$13,664,794	\$15,149,162	\$12,890,993	\$14,371,401	\$16,617,879	\$17,030,027	\$17,257,271
	Total Expenditures		\$ 59,913,609	\$ 64,561,058	\$ 61,980,339	\$ 67,114,503	\$ 70,784,263	\$ 72,658,415	\$ 74,387,449
	Expense Increase vs. Prior Year		1.4%	3.0%	-4.0%	3.96%	5.47%	2.65%	2.38%
			vs. 2019 Audited	vs. 2020 Budget	vs. 2021 Budget	vs. 2021 Budget	vs. 2022 Proposed	vs. 2023 Projected	vs. 2024 Projected
	Surplus/(Deficit)		(\$393,170)	(\$4,985,373)	\$1,727,555	(\$2,265,294)	(\$5,930,222)	(\$7,291,534)	(\$12,499,581)
	TOTAL GF FUND BALANCE		\$ 15,000,495	\$ 10,015,122	\$ 16,728,050	\$ 14,462,756	\$ 8,532,534	\$ 1,241,000	\$ (11,258,581)
	Total Fund Balance as a percentage of Expenditures		25.0%	15.5%	27.0%	21.5%	12.1%	1.7%	-15.1%
									-32.8%



General Fund Reserves



General Fund Reserves – without ARPA

