2027 Proposed Budget Overview

October 13, 2026

2027 Budget – *A Clearer Picture of the Cost of Providing City Services*

General Fund

- Environmental Services moved into fund
- Right sizing under-resourced areas
- Impacts of County reassessment

Solid Waste and Recycling Fund

- No proposed fee increase
- Tipping and hauling fees continue to increase.

Sewer Fund

- No proposed fee increase

Water Fund

- No inside or outside rate increases proposed
- Direct billing for grounds/building maintenance activities
- Lead service line replacements continue

Stormwater Fund

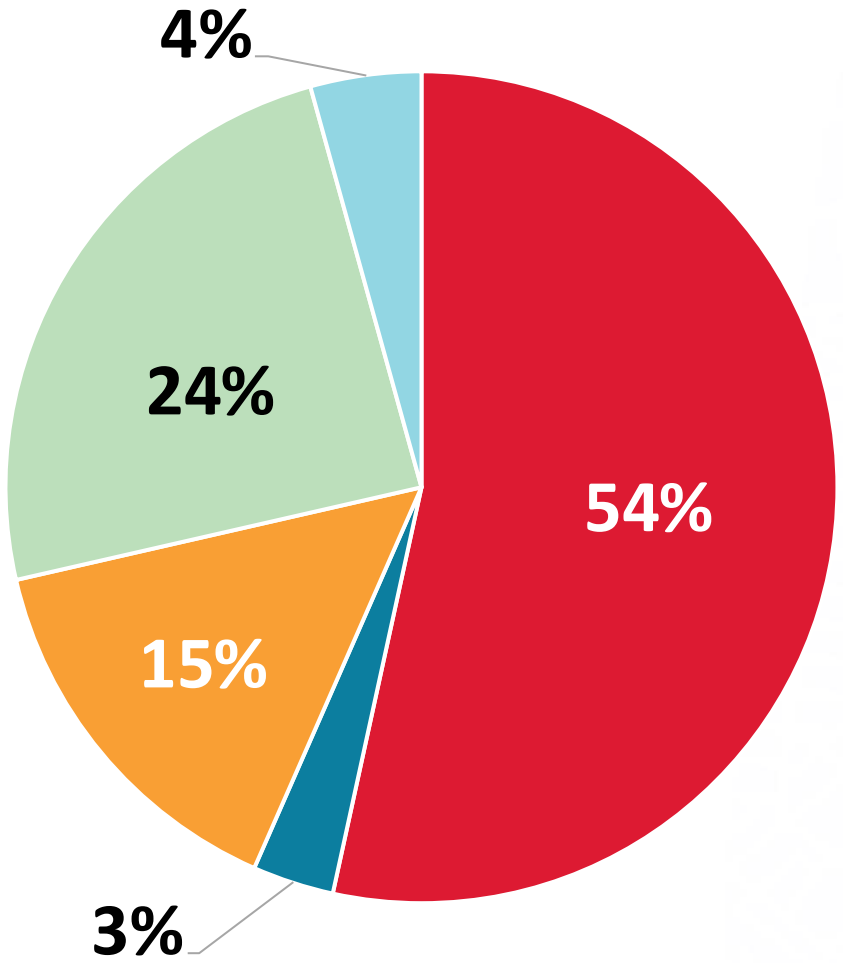
- No proposed fee increase
- Coming back to council in 2027 with fair and equitable solutions for paying for this necessary work

2027 Budget – Cost Drivers in the General Fund

Expense	2026 Budget	2027 Budget	$ Increase	% Increase
Healthcare	$12,843,347	$13,262,548	$419,201	3.26%
Collective Bargaining Agreements	$19,200,270	$20,242,573	$1,042,303	5.43%
Pension Obligations	$8,504,251	$9,583,634	$1,079,383	12.69%
Environmental Service Activities	$0 *(in Stormwater Management Fund)*	$1,235,314*	-	-

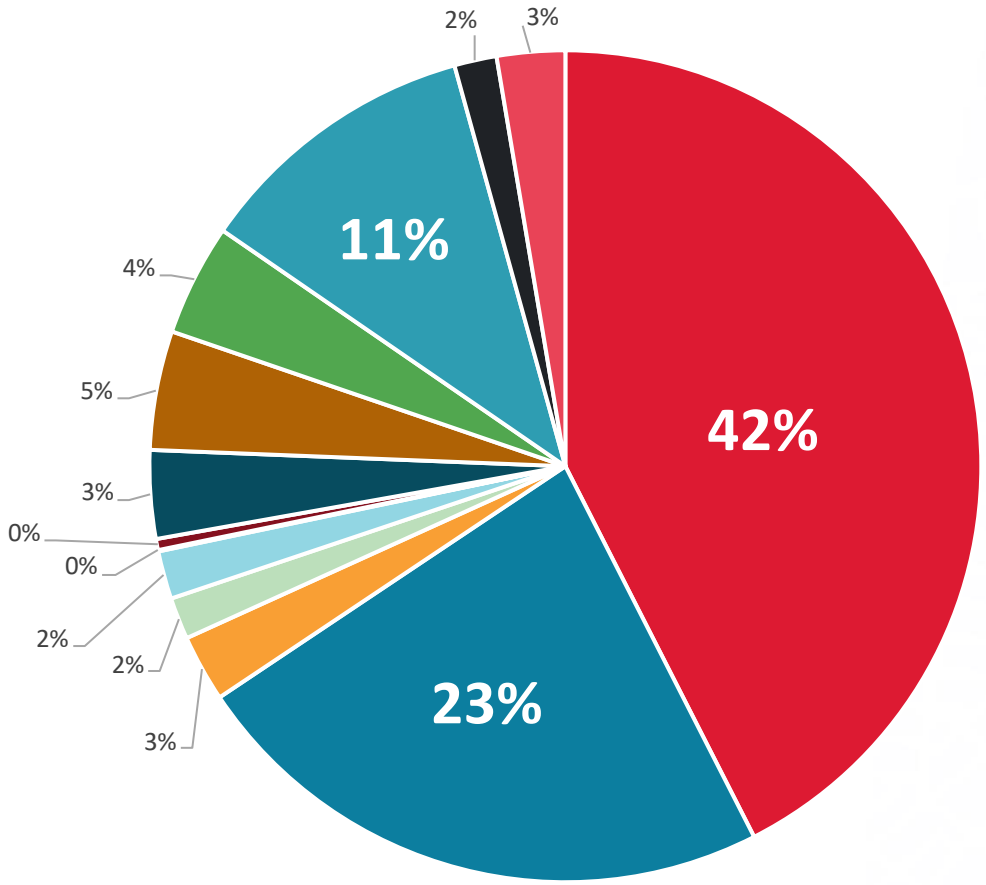
**Including Stormwater in the General Fund increases GF operating expenses by 6.83%.*

2027 Combined Operating Budgets – $165,755,442



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

2027 General Fund Revenues – $88,546,599



- Property Tax
- Earned Income Tax
- PMT in Lieu of Tax
- Real Estate Transfer Tax
- Local Services Tax
- Other Taxes
- Regulatory Revenues
- Public Safety Revenues
- Health, Housing & Codes Revenues
- Public Works Revenues
- Other Revenues
- Use of Fund Balance Committed to Data Centers
- Use of Fund Balance Reserves

Understanding the 2027 Real Estate Tax Rate

- Last Reassessment in 2018
- Revenue Neutral Provision
- Proposing 6.069 mills
- New rate is a 5% increase above the revenue neutral amount

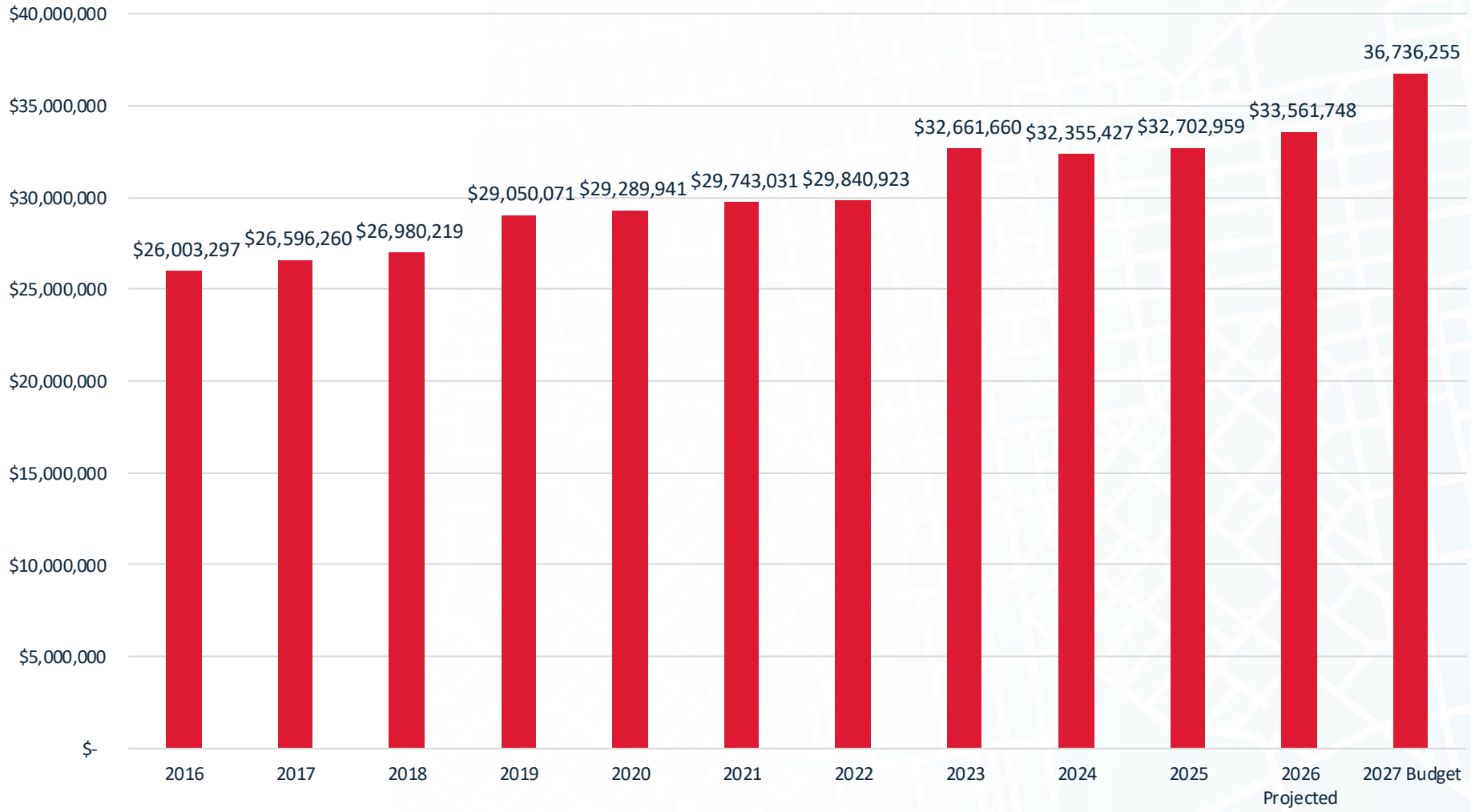


Real Estate Tax – $36,736,255

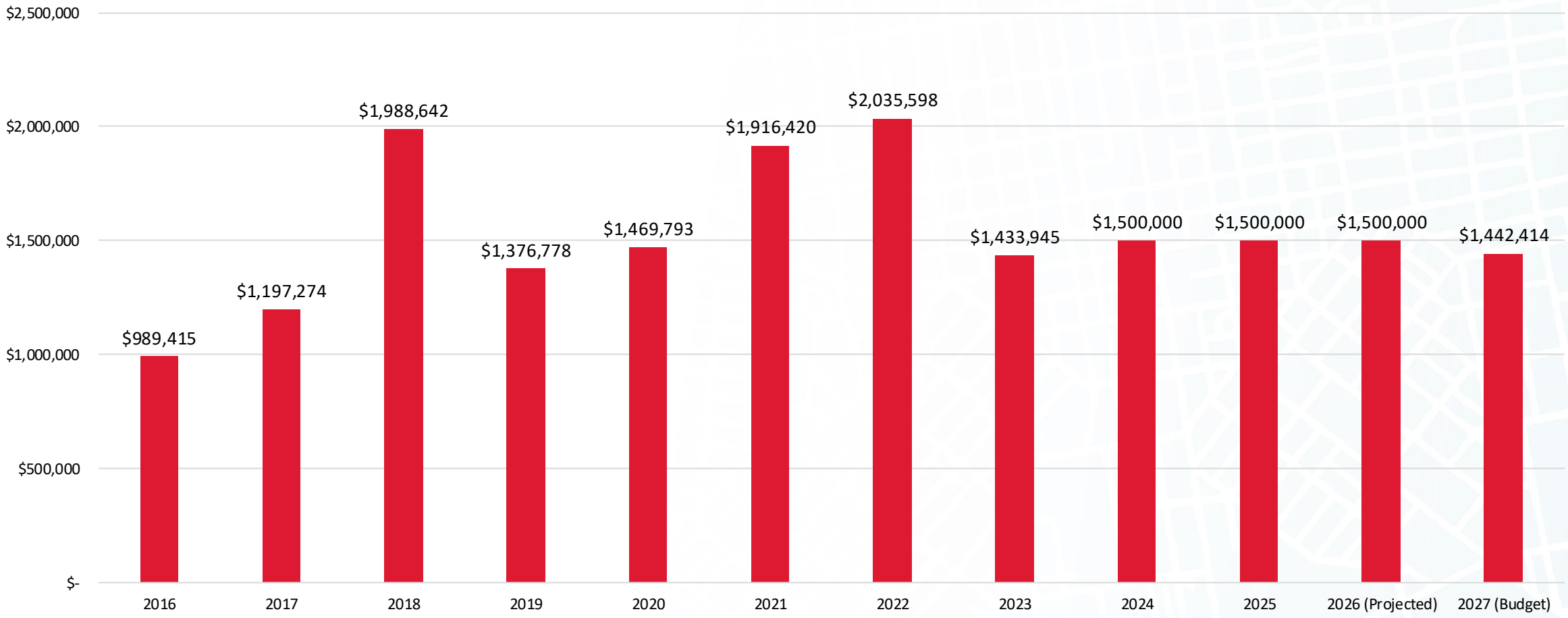
+3.17M in additional property tax revenue
(from increase and reassessment)

IS

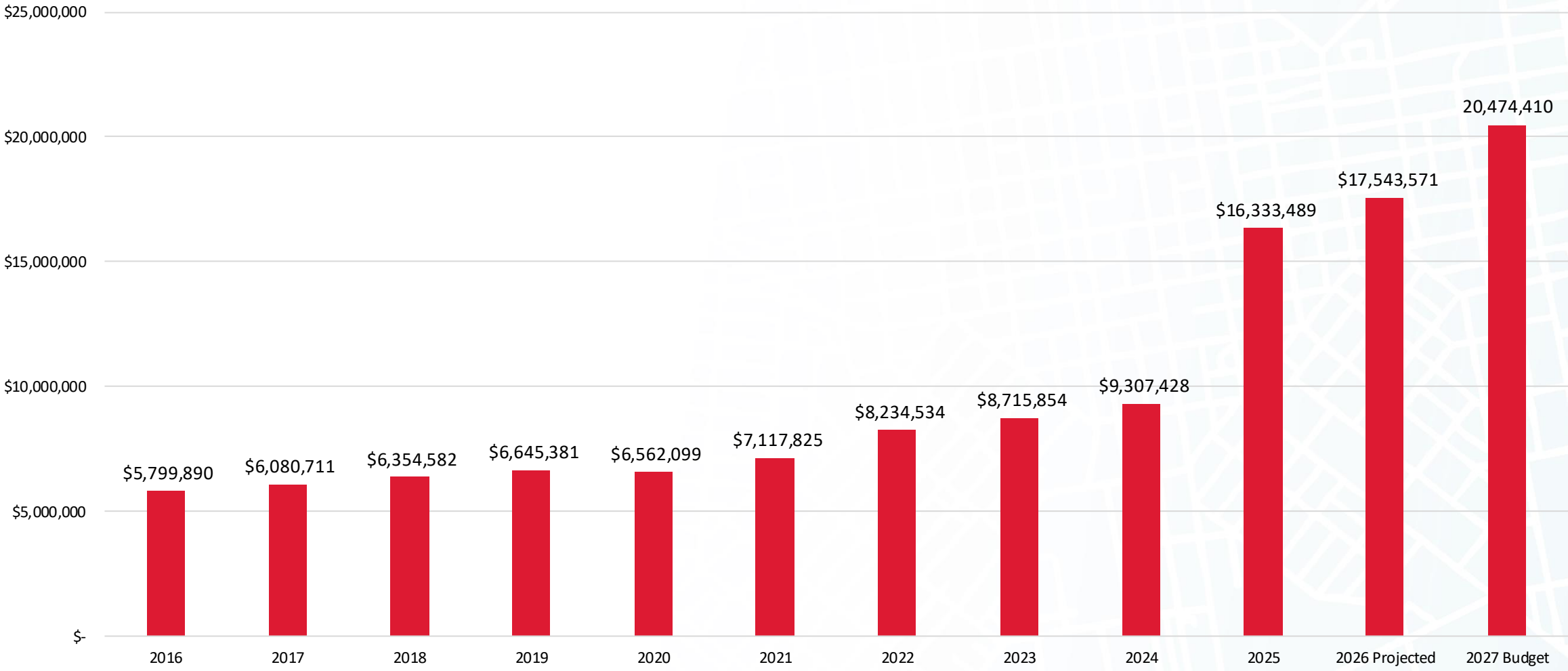
About 3.6% of General Fund revenue



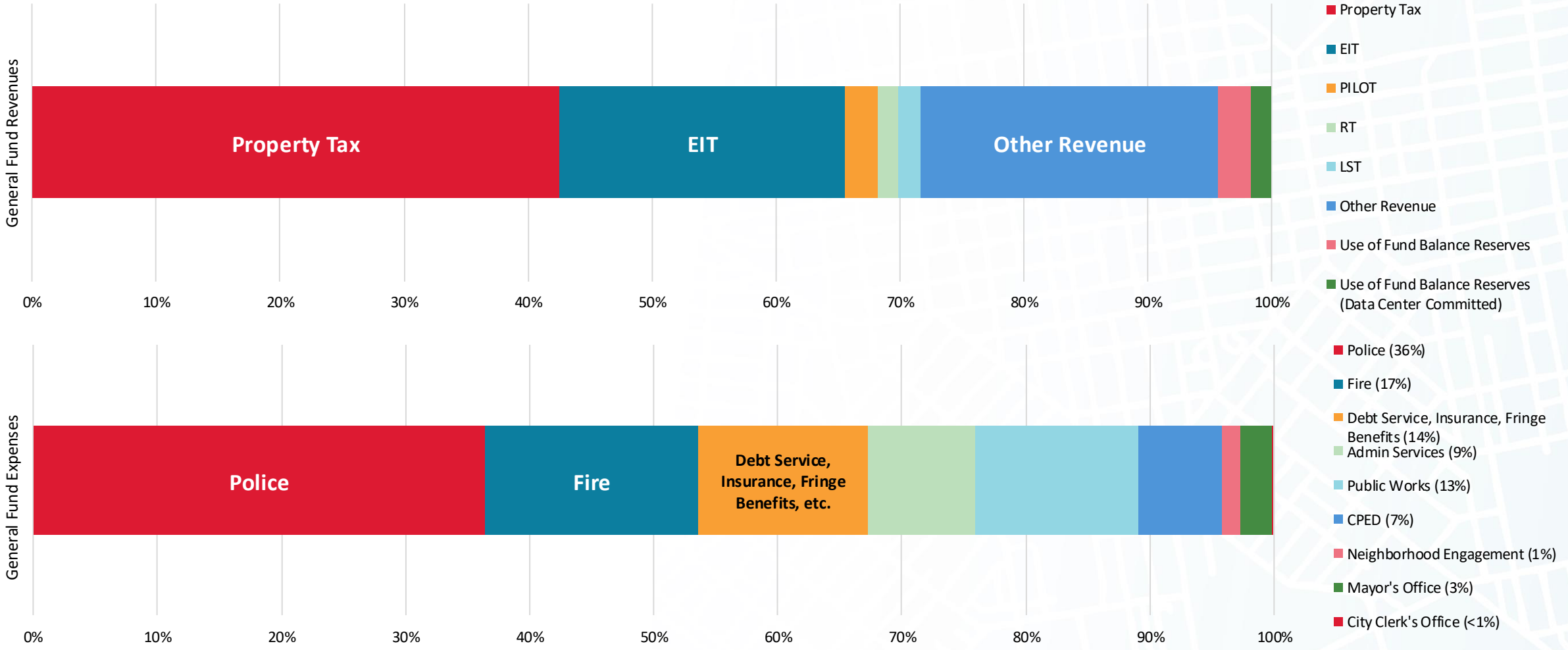
Real Estate Transfer Tax Revenue – $1,442,414



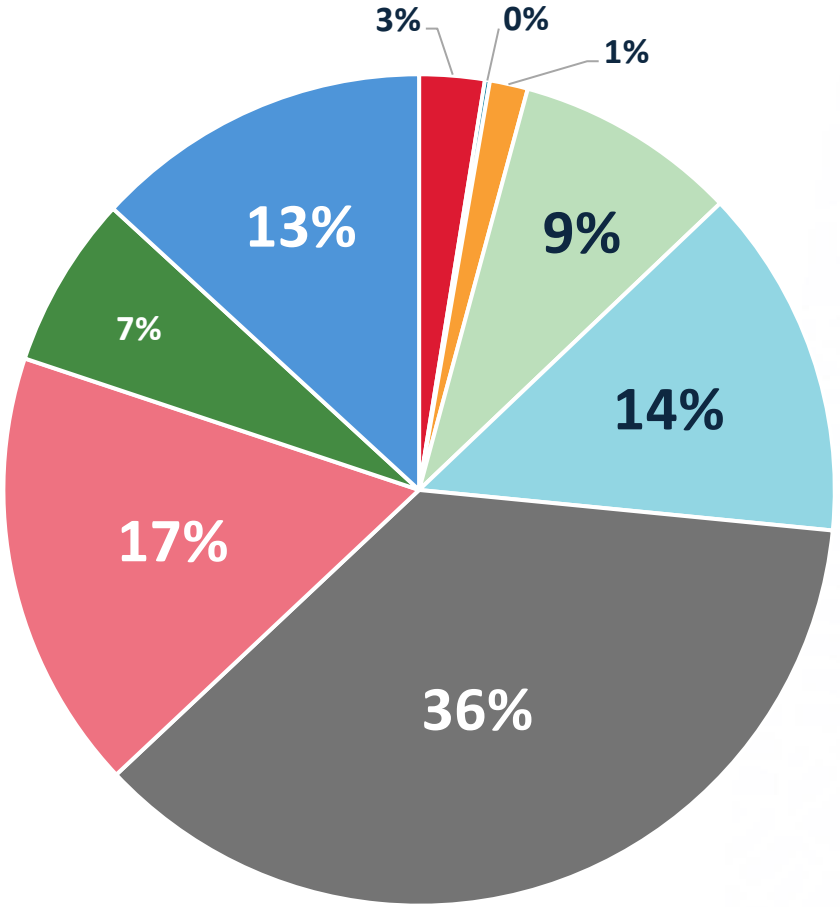
Earned Income Tax – $20,474,410



2027 Budget – Revenue and Expenses



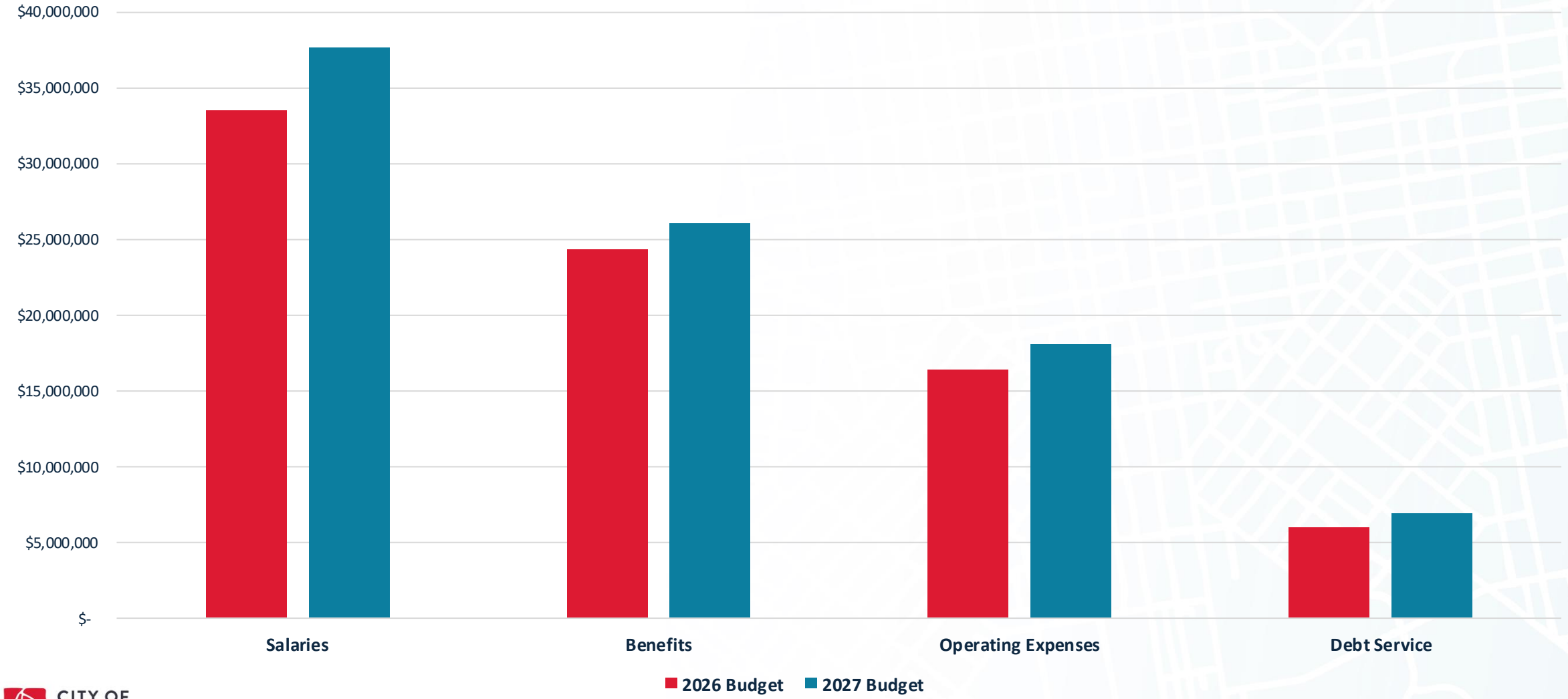
2027 General Fund Expenses – $88,546,599



- Mayor's Office
- City Clerk's Office
- Neighborhood Engagement
- Administrative Services
- Supporting Expenses
- Police Bureau
- Fire Bureau
- Community Planning & Economic Development
- Public Works

General Fund Expense Budget Comparison

2026 Revised Budget vs 2027 Proposed Budget

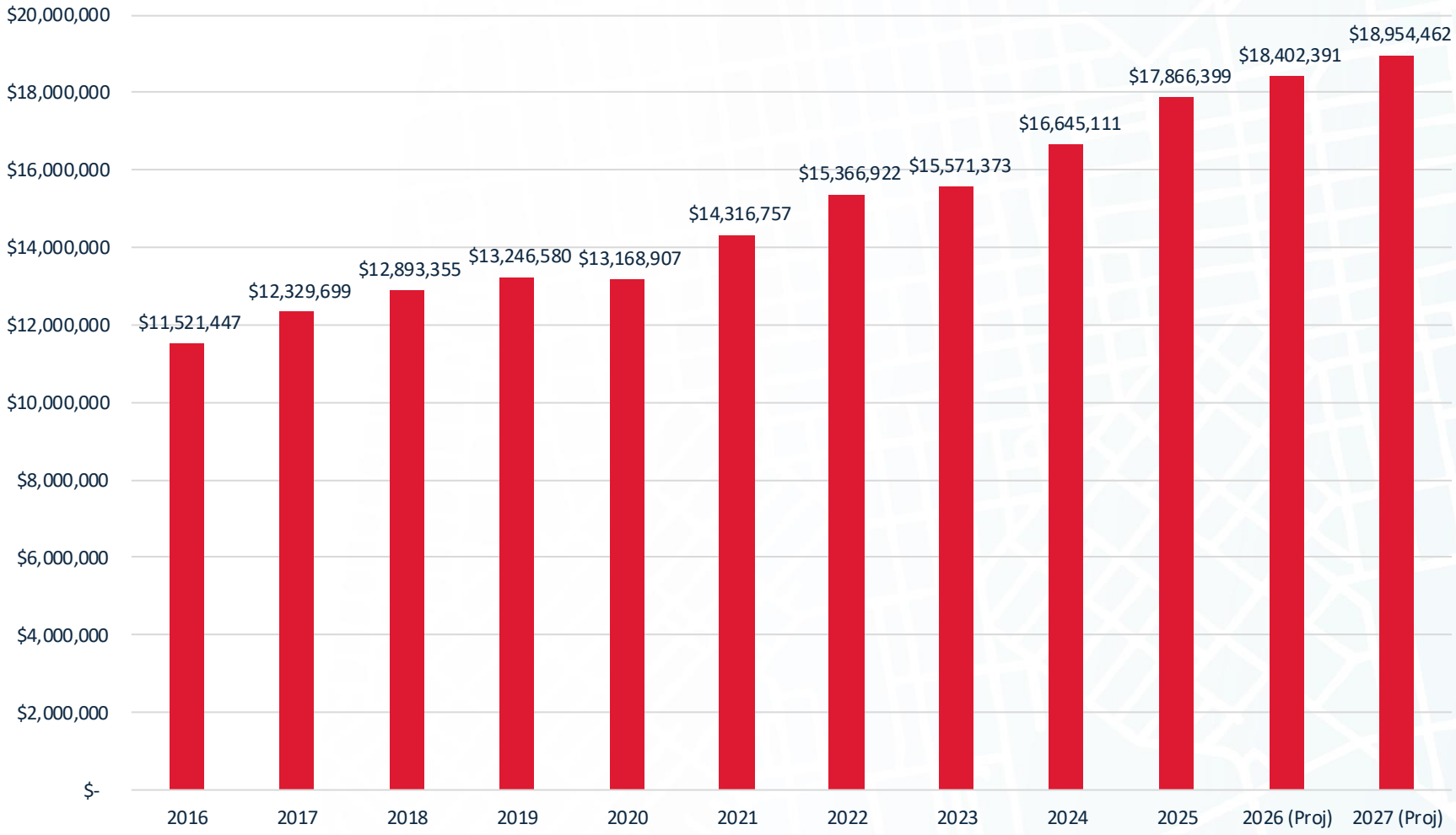


City Medical Claims Costs – All Funds

City medical expenses continue to increase at an average rate of 4.6% a year.

AND

City medical expenses have increased by over $7 million over the last decade.



General Fund Pension Obligations vs. PA State Aid



General Fund Debt Service



2027 Budget Schedule

October 14, 2026 – Draft budget posted and available for review
Budget questions and comments can be posted on Engage Lancaster

October 20, 2026 – Budget Hearing #1
Administrative Services, Community Planning & Economic Development, Fire, Police

November 17, 2026 – Budget Hearing #2
Mayor's Office, Elected Officials, Neighborhood Engagement, Public Works, Utility Funds

November 24, 2026 – First Reading of Budget Ordinances

November 20, 2026 – Deadline for questions on Engage Lancaster

November 30, 2026 – Responses posted to Engage Lancaster

December 8, 2026 – Second Reading of Budget Ordinances